Saskatchewan Teachers' Superannuation Commission

Annual Report Superannuation Plan Dental Plan for 2015-16

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This annual report is available in electronic format at **www.stsc.gov.sk.ca**.

Letter of Transmittal

The Honourable Don Morgan, Q.C.
Minister in Charge
Teachers' Superannuation Commission

Sir:

The Teachers' Superannuation Commission has the honour to submit the Annual Report outlining activities under *The Teachers Superannuation and Disability Benefits Act* for the year ending June 30, 2016 and *The Teachers' Dental Plan Act* for the period ending December 31, 2015.

Respectfully submitted,

Dr. Derwyn Crozier-Smith
Chairperson

2015 – 2016 Annual Report

The Saskatchewan Teachers' Superannuation Commission
129 – 3085 Albert Street
Regina, Saskatchewan S4S 0B1

submits the:

Eighty-sixth Annual Report with respect to
The Teachers Superannuation and Disability Benefits Act for the Year Ended June 30, 2016 and

Thirty-first Annual Report with respect to
The Teachers' Dental Plan Act
for the Year Ended December 31, 2015

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Message from the Chairperson

On behalf of the Teachers' Superannuation Commission, I am pleased to present the 2015-16 Annual Report of the Saskatchewan Teachers' Superannuation Commission.

Effective July 1, 2012, the Commission implemented a de-risking investment strategy. The objective of the de-risking investment strategy is to preserve capital, mitigate fluctuating investment returns caused by market volatility and reduce risk as the Teachers' Superannuation Fund (TSF) winds down to its legislative end date of June 30, 2030. In July 2015, the Commission shifted to the next stage in the de-risking glidepath for the TSF asset allocation. Canadian small cap was removed from the portfolio, while the allocation for short-term investments increased. The TSF's fair market value as at June 30, 2016 was $334.8M. Despite the Fund's asset mix being constructed with lower risk investments, the overall portfolio returned 4.1% for 2015-16 beating its benchmark of 3.5%. The Fund also met its real return performance objective of 2.35% by gaining 4.0% over 10 years.

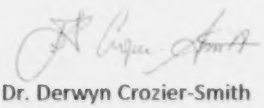
As the TSF market value of assets continues to reduce, the Commission amended its investment policy to move to the next step of the de-risking glidepath for the Fund's asset mix to be effective July 1, 2016. The next stage of the de-risking investment strategy will see short-term investments increase by 15%, with bonds decreasing by 10% and real estate decreasing by 5%. The Commission will continue to monitor the asset base of the TSF as well as the progress and performance of the TSF de-risking model.

To build on its governance and risk management framework, the Commission reviewed its processes and systems for cyber security to ensure proper controls are in place to mitigate any internal or external cyberattacks. The Commission also met with one its investment managers, Greystone Managed Investments to discuss Greystone's approach to managing risks for stock selection and building investment portfolios.

Through collective bargaining between Saskatchewan teachers and the Government of Saskatchewan, *The Teachers Superannuation and Disability Act* (the Act) was amended to allow teachers with less than 20 days of contributory service eligible to receive a refund of their contributions with interest. Previously legislation locked-in these contributions and were only payable as a death benefit. The amendment to the Act received royal assent on June 30, 2016.

The Commission completed an actuarial valuation for the year ending June 30, 2015. The previous valuation was conducted two years earlier as at June 30, 2013. This financial snapshot in time assists the Commission in monitoring the growing Plan deficit that exists within the Teachers' Superannuation Plan. The Commission will continue to conduct biennial valuations.

The Commission acknowledges with sincere appreciation, the administrative team whose efforts resulted in another successful year of service to the membership. The Commission also expresses its appreciation to the Saskatchewan Teachers' Federation, the Superannuated Teachers of Saskatchewan, the school divisions and regional colleges and the administrative staff within the Ministry of Education for their respective contributions to the success of the Commission.



Dr. Derwyn Crozier-Smith
Chairperson, Teachers' Superannuation Commission

Profile

The Teachers' Superannuation Commission (TSC, the Commission) is established under *The Teachers Superannuation and Disability Benefits Act*.

The Minister of Finance is the trustee of the Teachers' Superannuation Fund (TSF) while the TSC is charged with administration of *The Teachers Superannuation and Disability Benefits Act*, *The Teachers' Dental Plan Act*, and *The Teachers' Life Insurance (Government Contributory) Act*.

The Province of Saskatchewan sponsors the TSF, with contributions also coming from plan members who are represented by the Saskatchewan Teachers' Federation (STF).

The Teachers Superannuation and Disability Benefits Act is a negotiable matter under *The Education Act, 1995*.

The Teachers' Superannuation Plan was closed in July 1980, and a new plan was created, now known as the Saskatchewan Teachers' Retirement Plan, for which administration has been transferred to the STF.

As at June 30, 2016, the TSF has net assets available for benefits of $0.377 billion, actuarial pension obligations of $6.329 billion, and a deficit of $5.952 billion.

More on-line at www.stsc.gov.sk.ca

Plan Governance at a Glance

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Teachers' Superannuation Commission

Mission

The Commission's mission is to provide pensions and benefits for plan members through prudent stewardship of assets and liabilities and effective plan administration in accordance with current legislation.

Mandate

To attain this outcome, our organizational mandate is to administer the various Acts to ensure the provision of retirement and negotiated benefits to teachers. The various Acts (and regulations thereto) are:

- *The Teachers Superannuation and Disability Benefits Act*
- *The Teachers' Life Insurance (Government Contributory) Act*
- *The Teachers' Dental Plan Act*

The TSC is not subject to the Saskatchewan *Pension Benefits Act, 1992* except in relation to investments.

Objectives

Our specific objectives associated with this organizational mandate are:

- Communicate information and guidance to plan members
- Collect pension contributions from all participating teachers
- Accept additional contributions for the Voluntary Contributions Fund
- Calculate and distribute retirement benefits to teachers, spouses and dependents of deceased teachers
- Assess, review and provide disability benefits to eligible teachers
- Monitor the performance of the pension fund investments
- Negotiate and administer reciprocal transfer agreements with other jurisdictions
- Maintain appropriate financial records of the affairs of the Plan
- Manage accurate and timely dental claims administration in conjunction with the insurance carrier
- Administer the insurance claims associated with death and dismemberment in conjunction with the insurance carrier

Governance

The Commission maintains its governance manual which is posted on its website. This manual is the key document directing the Commission's governance activity during the year. The manual facilitates the planning and tracking of progress in areas such as ongoing board education, strategic planning, board-self assessment, and monitoring of administration operations and management. The manual also addresses various overarching matters such as: conflict of interest, dispute resolution, risk management, investment policy and monitoring, roles and responsibilities, and code of conduct.

Accountability

The TSC issues this annual report including audited financial statements supported by an actuarial opinion.

Commission Members

The TSC is responsible to the Minister in Charge for the administration of *The Teachers Superannuation and Disability Benefits Act*, who at present is also the Minister of Education (the Minister).

The TSC consists of seven members appointed by the Lieutenant Governor in Council:

- Three members are nominated by the STF executive committee
- Three members are nominated by the Minister
- A Chairperson is nominated by the other six members

Appointments are typically for a term of five years and are eligible for reappointment.

Dr. Derwyn Crozier-Smith was nominated by the members of the Commission to continue as Chairperson. Dr. Crozier-Smith was reappointed as Commission Chairperson for a term not to exceed five years on May 18, 2016.

* Mr. Dustin Antonini was appointed to the Commission effective September 23, 2015.

Commission members as at June 30, 2016 with background credentials are:

Derwyn Crozier-Smith, B.Ed., B. A., M.Ed., Ph.D. Chairperson Former STF General Secretary, Former STF Executive Assistant	
Clint Repski, B.Admin, CPA-CA Assistant Deputy Minister Ministry of Education	**Murray Wall,** B.Ed., B.Sc., M.Ed. Senior Administrative Staff Saskatchewan Teachers' Federation
Doug Schell, CPA-CA Director, Financial Analysis & Reporting, Education Funding Ministry of Education	**Laurel Irving Piot,** B.Ed., P.G.D., M.Ed. Senior Administrative Staff Saskatchewan Teachers' Federation
Dustin Antonini, CPA-CGA Acting Assistant Director, Investment Services Public Employee Benefits Agency Ministry of Finance	**Michael Gatin,** B.A., B.Ed., P.G.D. Senior Administrative Staff Saskatchewan Teachers' Federation

	Meeting attendance	Expiration of term
Derwyn Crozier-Smith	7 of 7	May 18, 2021
Murray Wall	7 of 7	September 3, 2019
Clint Repski	5 of 7	September 11, 2018
Michael Gatin	6 of 7	December 5, 2017
Doug Schell	7 of 7	December 5, 2017
Laurel Irving Piot	7 of 7	February 28, 2017
Dustin Antonini	6 of 6*	September 23, 2020

Commission Member Role and Responsibilities

It is the collective responsibility of the members of the Commission to:

- Fulfill the mission statement
- Administer the Plans in compliance with governing legislation
- Determine any question as to the application of *The Teachers Superannuation and Disability Benefits Act*
- Review all applications for disability benefits
- Establish investment policy and monitor investment performance
- Promote awareness and understanding of the Plans
- Monitor management and administration of the Plans
- Report annually to the Minister responsible for the Commission

Commission Strategic Plan: Key Functions, Objectives and Actions

To fulfill its statutory obligations and to address challenges and opportunities, the Commission reviewed and updated its Strategic Plan in October 2015. The Strategic Plan contemplates a number of risks identified in the Risk Assessment and Management Plan.

The Strategic Plan outlines four key functions:

1. Governance
2. Administration
3. Member Services
4. Affiliate Services

Each Key Function involves a number of Strategic Objectives that the Commission and its Executive Director review and revise on an annual basis in accordance with the TSC's governance manual. These Strategic Objectives indicate where the TSC is headed, at least in the foreseeable future.

For each Strategic Objective, the Strategic Plan highlights various Strategic Actions that the Commission will do to carry out the TSC's purpose of providing appropriate pension, long-term disability, dental and group life insurance benefits to relevant Saskatchewan members.

The application of the Strategic Plan is designed to highlight and communicate the nature of the services provided by the TSC and is intended to maintain the focus on activities that best address relevant risks and ensure statutory obligations are being met. The Strategic Plan is structured to be concise, practical, and manageable, relying on reference documents that contain greater detail (i.e., risks, communication, information systems) and facilitates healthy governance in identifying measurable objectives through which measurement against plan and reporting can occur.

Commission Strategic Plan: Key Functions, Objectives and Actions

1. Governance

The Commission's governance processes:

- Ensure the Commission carries out its purposes as set out in relevant legislation for the: Teachers' Superannuation Plan, Disability Benefits Plan, Dental Plan, and Group Life Insurance Plan
- Exhibit leadership in fulfillment of fiduciary duty
- Establish TSC policies
- Provide an operational and governance framework; communicate and report on it

Strategic Objective	Strategic Action
• Monitor, evaluate and report on the effectiveness of the TSC's governance structures ensuring compliance with relevant legislation and policies.	• The Commission follows an annual planning calendar that is part of its Strategic Plan • At its annual planning meeting in October 2015, the Commission reviewed, revised and approved its Strategic Plan for 2015-16 • The Commission reviewed, revised and approved amendments and additions to its Governance Manual at its January 2016 meeting • Commission members completed self-assessments and submitted signed conflict of interest declarations • At its October 2015 meeting, the Commission collectively reviewed the results of the *Canadian Association of Supervisory Authorities (CAPSA) Governance* questionnaire to assist in identifying if any gaps exist in its governance processes. • Due to the aging demographics of active members in the Plan, the Commission developed a policy regarding teachers who continue to teach beyond age 71 to ensure compliance with Federal and Provincial legislation and regulations. • In April 2016, the Commission reviewed its Investment Policy and Objective Statement (IP&OS) to ensure the clarity of its policies and mirrors industry best practices. The IP&OS was amended to reflect the next step for the Commission's de-risking investment strategy.

• Encourage and foster a shared understanding of the TSC's governance structure and organizational processes within government, teacher membership and associated agencies.	• The Commission maintains regular communication with the Ministries of Education and Finance with respect to the funding requirements from the General Revenue Fund for the superannuation, disability and benefit plans • The Commission has a *Dispute Resolution Process*, which outlines procedures to follow in the event a dispute with the Commission arises. Members can access this process on the Commission's website • The Commission tables an annual report that outlines the activities of the TSC and its governance for the Teachers' Superannuation Plan, Teachers' Disability Benefits Plan and Teachers' Dental Plan. The annual report is widely distributed and is accessible on the TSC website for all interested parties • The Commission also tables a separate annual report on the activities of the Teachers' Group Life Insurance Plan • Two newsletters are mailed on an annual basis. One newsletter is directed to the active and inactive members in the superannuation plan and the other to superannuated members and spousal recipients
• Encourage innovation in the identification and analysis of ways to add value and manage risks.	• At its October 2015 meeting, the Commission reviewed and revised its Risk Assessment and Management Plan to identify key risks and how to manage those risks • The Commission and Management completed Fraud and Error questionnaires and submitted the results to the Provincial Auditor of Saskatchewan for its review • The Commission met with its plan fund manager, Greystone Managed Investments to discuss Greystone's approach to managing risks for stock selection and building investment portfolios. • The Commission reviewed its Cyber Security processes and systems, which mitigate any internal or external cyberattacks. • The Commission monitored the progress of the TSF asset base and adopted the next de-risking glidepath to be effective July 1, 2016.

2. Administration

The Teachers' Superannuation Commission's Administration;

- Provides support for the provision of pension allowances, disability, dental and group life insurance benefits to teachers in accordance with legislation
- Maintains and safeguards the TSC's assets directly and indirectly through agents and advisors
- Supports the Commission and government agencies as requested
- Implements Commission policies and directives
- Adds value and manages risks associated with the TSC's business portfolio
- Enriches and develops the TSC's human resources

Strategic Objective	Strategic Action
• Ensure effective operation of the TSC's governance structure in accordance with legislation and policies.	• At all meetings, the Commission receives an updated plan activity chart that allows the Commission to effectively monitor the ongoing activities of the Commission and TSC Administration to ensure action items are completed
• Establish and implement effective ways to carry out the TSC's Key Functions and Strategic Objectives.	• At its annual planning meeting in October 2015, the Commission refined its Strategic Plan after approving a revised Risk Assessment and Management Plan • In October 2015, the Commission evaluated the performance of its agents and advisors to whom it has delegated certain responsibilities. The Executive Director contacted each agent and advisor and provided a copy of their performance evaluation • The Commission conducted an actuarial valuation as at June 30, 2015 for the superannuation and disability plans. The superannuation valuation was filed with the Canada Revenue Agency. The valuation also included a financial projection report that estimates the superannuation allowances payable for the next 75 years • On a quarterly basis, the Commission met with its investment consultant, Aon Hewitt to review the performance of the investment returns and investment managers as it compares to established benchmarks within the IP&OS • The Commission received quarterly investment performance reports from plan fund managers, Greystone Managed Investments and GE Asset Management.

	• Management participated in the Annual Investors Update Conference Call with the GE Asset Management Private Equity Investment team. Management reports back to the Commission with an update surrounding the investment status, performance and outlook for both international private equity portfolios. • TSC administrative staff attended various education and professional development sessions during 2015-16 • All TSC employees have established work plans that are assessed and reviewed annually • Along with its information technology service provider, the Commission maintains an information technology plan for disaster recovery that integrates with a business continuity plan for its information systems • In January 2016, the Commission reviewed, revised and approved its Communication Plan. The Communication Plan is aligned with the overall Strategic Plan and TSC Governance Manual • The Commission maintains and reviews an effective Risk Assessment and Management Plan
• Provide effective oversight of the administrative operations of the TSC.	• The Commission receives regular updates on the progress towards fulfilling the recommendations made by the Provincial Auditor of Saskatchewan • The Commission annually evaluates the performance of the Executive Director utilizing the management performance tool, *Planning for Success* • The Commission receives quarterly financial reports on the financial operations of the TSC as well as all pension and benefit plans under administration • The Commission considered one submission received under its *Dispute Resolution Process* during 2015-16 • The Commission receives an administrative update report from Management on the administrative and financial operations of the Teachers' Superannuation Commission at every meeting

3. Member Services

The TSC acknowledges the importance of service to teachers. For member services, the TSC will:

- Assist/Enable teachers to understand the options available to them respecting their pension, disability benefits, dental and group life insurance coverage
- Support teachers through timely, responsive and appropriate communication
- Render services with personalized care and attention, with integrity, fairness and efficiency

Strategic Objective	Strategic Action
• Identify and assess performance measurement against relevant service standards.	• The TSC Staff provide care and attention to the quality of service provided to teachers for all plans under administration • Management regularly reviews its policies and procedures to ensure it is meeting its statutory requirements for the teacher pension and benefit plans • The TSC staff collaborates with the insurance carrier to implement the most efficient processes to administer the benefit plans • Administration meets annually with the insurance carrier to review service standards and claim turnaround times
• Ensure continuity and consistency of service received.	• The TSC has procedures and processes in place for cross-training to maintain high quality service and ensure adequate segregation of duties to mitigate risk to superannuation and benefit plan monies • The TSC staff is available to members to provide pension information and options for retirement planning as well as be of assistance to members for questions surrounding the group life insurance and dental plans. • A toll-free number is provided for teachers and superannuates with access to staff to answer any questions regarding the teacher superannuation and benefit plans • The TSC website provides members with pertinent information and forms with respect to the teacher superannuation and benefit plans

4. Affiliate Services

The TSC interacts with a number of affiliate parties when delivering services to teachers. For affiliate services the TSC will:

- Support teachers through cooperative, progressive relationships with teacher related organizations (i.e. School Divisions, Saskatchewan Association of School Business Officials (SASBO), League of Education Administrators, Directors and Superintendents (LEADS), etc.)
- Work with the Saskatchewan Teachers' Federation (STF) and Superannuated Teachers of Saskatchewan (STS) where possible and invited to do so in support of Saskatchewan teachers

Strategic Objective	Strategic Action
• Seek collaboration and initiate activities that increase service to membership or add value and minimize risk to teachers or the people of Saskatchewan.	• When requested by the STF, the TSC Administrative staff attends STF sponsored retirement planning seminars and provides pension projections for seminar participants • The TSC staff communicate regularly with school divisions to continue the efficiency of remitting teacher contributions for the superannuation and group life insurance plans • Maintain an open dialogue with the STF and STS to best serve the needs of current and superannuated teachers

Administration

The TSC employs an Executive Director and staff required for administration of the various legislation and commission policies and is independent from management.

The administrative team consisting of 12.0 full time equivalent employees is responsible for all the administrative functions that result in meeting the objectives outlined earlier and includes the strategic and operating unit work plans, financial and business decisions, evaluation of results against these plans, and reporting of activity to Commission members. Refer to the governance manual for further elaboration of management's roles and responsibilities.

The administrative team also highlights certain policy decision items to the Commission members, including relevant recommendations, and responds to requests for information or onward execution as requested by Commission members.

Administration works very closely and cooperatively with the Saskatchewan Teachers' Federation and the Superannuated Teachers of Saskatchewan to ensure seamless delivery of consistent, high-quality services to teachers across the province. This is particularly true in relation to the retirement planning sessions facilitated by the Saskatchewan Teachers' Federation. Collaboration on these retirement oriented activities ensures the teachers of Saskatchewan have the opportunity to be informed through group and one-on-one counseling sessions.

Management formally communicates to Commission members on the operational activities at the regularly scheduled meetings, in addition to ad-hoc communications on various matters. The Commission conducts performance evaluation of management against established objectives.

The $1.563 million operating budget of the Commission is paid out of monies appropriated by the Legislature.

Consultants

The TSC, as part of fulfilling its fiduciary duty in relation to the assets of the funds and as part of good governance, may acquire specialist competencies. This may include the engagement of technical, professional or other advisor, specialist or consultant services. Given the specialist knowledge required in investment management, defined benefit plan valuations and calculations, and pension administration software, the TSC does engage a number of outside consultants and advisors.

Actuarial consulting firms assist with the development of the investment policy guidelines, propose assumptions and perform the calculations of benefits for marriage breakdown, and actuarial present value for the purpose of reciprocal transfer agreements. Actuarial services are also required in preparing a valuation of the Plan and for cash flow projections. The current actuary for the plan is Aon Hewitt.

Investment managers provide the necessary expertise in managing the pension assets in compliance with the asset mix guidelines to ensure risk-adjusted returns are maximized and achieve performance at or above the established performance benchmarks. Quarterly performance reports and presentations are provided to Commission members. Greystone Managed Investments Inc. is responsible for managing the assets with the exception of private equity managed by GE Asset Management.

State Street Trust Company, the investment custodian, provides compliance reporting on a quarterly basis and all results are reported to Commission members.

Aon Hewitt also assists the Commission as an investment advisor by monitoring performance of the investment managers. Reports and presentations are provided to Commission members quarterly.

When required, legal consultation is provided by either the Ministry of Justice or private legal counsel. Legal advice provided to the Commission ensures all legal obligations are fulfilled.

Specialized information technology services are purchased to ensure the critical pension administration system, retirement management and payroll systems, disability systems and backbone network systems are securely maintained.

Valuation

The Commission has historically reviewed the valuation assumptions biennially and does so in consultation with the plan actuary. The 2015 valuation discount rate assumption was updated to reflect the Saskatchewan provincial bond yield curve as at June 30, 2015 to match the timing and amount of future expected benefit payments as well as the expected rate of return on assets of 3.65%. This single discount rate for valuation purposes was 2.8% per annum and was determined as a blend between the funded and unfunded portions of the Plan. The financial statements at June 30, 2016 are based on an extrapolation of the June 30, 2015 valuation results. The total deficit as at June 30, 2016 is $5.95 billion.

The legal obligation to pay pensions to the teachers of Saskatchewan in accordance with the provisions of *The Teachers Superannuation and Disability Benefits Act* rests with the government of Saskatchewan.

Investments

The segregated funds of the Teachers' Superannuation Fund assets and all of the Voluntary Contributions Fund (together known as the Teachers' Superannuation Plan or the "Plan") are held in trust by State Street Trust Company, custodian of the investments on behalf of the Plan. Custodial fees of $46,314 (2015 – $49,458) and $27,846 (2015 – $38,060) for brokerage fees were paid to State Street Trust Company for 2016. Greystone Managed Investments Inc. is responsible for investing the funds. Investment fees paid to Greystone Managed Investments Inc. for 2016 were $483,991 (2015 – $657,408). Investment management fees for private equity paid to GE Asset Management for 2016 were $145,052 (2015 – $1,527,994). State Street Trust Company is also the custodian for the pooled fund investments on behalf of Greystone Managed Investments Inc.

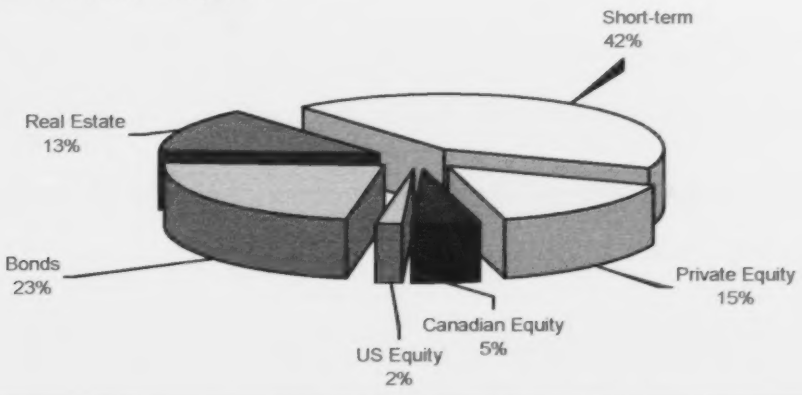
The TSC with the assistance of the investment manager, investment consultant, and actuarial consultant develop investment policies, strategies and objectives for each fund of the Plan. The Investment Policy & Objectives Statement (IP&OS) details the asset mix guidelines, and a benchmark portfolio against which the performance of the investment managers is measured. Individual asset class performance is also measured against their relevant, respective indices. The current IP&OS is posted on the TSC website.

In meeting with its investment consultant, the Commission reviews its IP&OS annually. A key aspect of risk is managed through adequate portfolio diversification. Working in conjunction with the asset manager, investment consultants and actuary, the desired risk-adjusted return is established.

IP&OS asset mix guidelines for the TSF as at June 30, 2016

	Minimum %	Maximum %
Canadian Equities, Large Cap	2.5	7.5
Canadian Equities, Small Cap	0	0
Total Canadian Equities	***2.5***	***7.5***
U.S. Equities, Large Cap (Unhedged)	1	5
International Equities, Public and Private (Unhedged)	0	7.5
Total Foreign Equities	***1***	***12.5***
Total Equities	***4.5***	***20***
Nominal Bonds	35	45
Short Term	30	40
Total Fixed Income	***65***	***85***
Real Estate	7	20

TSF portfolio asset mix at June 30, 2016



TSF Rates of Return – Periods to June 30, 2016						
	1 Year		4 Years		10 Years	
Asset class	Return	Bench mark	Return	Bench mark	Return	Bench mark
	%	%	%	%	%	%
Canadian Equity	1.5	-0.2	9.2	8.2	6.3	4.1
U.S. Equity	7.8	8.2	21.3	20.9	9.4	9.1
Private Equity	23.2	-6.5	21.1	12.6	n/a	n/a
Bonds	4.4	5.2	3.9	5.2	5.8	5.6
Real Estate	6.2	7.9	8.1	9.3	10.2	9.9
Total Fund	4.1	3.5	6.5	6.3	5.7	4.8

To reflect the declining asset base, the Commission adopted a de-risking investment strategy effective July 1, 2012. The TSF's asset mix will experience a gradual reduction in return seeking, risky assets until 2018. Beginning in 2019, the allocation to return seeking assets will be increased gradually until 2025. The re-risking phase acknowledges the reduced asset base and the lower impact higher risk assets will have on overall TSF market values after 2018.

Pension Administration Systems

The pension administration software is crucial for the tracking of service, contributions, refunds, purchases, crediting of interest to teacher accounts and pension estimates.

During the year, all system software was evaluated to ensure the underlying operating systems are actively supported by the various software providers, and to ensure the information technology (IT) systems remain functional in the current IT environment. Risk related to data and system conversion are appropriately planned and managed to ensure data and system integrity. The Commission maintains a business continuity and disaster recovery plans for its IT systems.

The Commission contracts with two outside information technology providers, ESTI Consulting Services and James Evans Associates (JEA) Limited. These two service providers possess the current and specific competencies needed to manage the IT risks effectively.

Risk Management

As part of governance processes, the Commission adopted a risk assessment and management plan whereby key risks are identified, along with identification of how risks will be managed and who is responsible. The outcome of this approach is to provide cost-effective management of risk and to create opportunities to add value. The following are potential risks that could adversely affect the operation of the Plan:

- Risk of loss associated with non-compliance with laws, rules, regulations, prescribed practices or ethical standards within jurisdiction of operation
- Risks arising from inability to implement appropriate business plans, strategies, decision-making, resource allocation and inability to adapt to changes in the business environment
- Risk of direct or indirect loss resulting from the inadequate or failed internal processes, people, system or from external events
- Risk associated with direct or indirect loss resulting from market events and investment related profiles
- Risk of not having adequate procedures and processes in place to continue operations in the event of a disaster or inability to access building

The Commission reviews and updates its Risk Assessment and Management Plan on an annual basis.

Communication

Timely and transparent communications are an essential element of good pension governance. The Commission strives to achieve effective communication with its teacher and superannuated members.

Federal and Provincial legislation in the area of privacy along with the implementation of the Privacy Framework within the Province will not only serve to protect the interests of teachers but mitigate the related risks and concerns. This privacy legislation is impacting communication not only in relation to what type of information is communicated from the pension plan, but also in assessing what the Commission collects directly from members.

In addition to this annual report and the annual statements to members, the TSC website and email have become increasingly important as the preferred tools of communication and information exchange. The website provides considerable information:

- Downloadable forms for Dental, Group Life Insurance, Disability, Reciprocal Transfers, and personal information change forms
- Information, including Frequently Asked Questions on Dental, Pension, Disability and Group Life Insurance
- Various legislative Acts and Regulations administered by the Commission
- Policies and responsibilities adhered to by the Commission
- Recent annual reports, superannuate and annual statement letters
- Contact information
- Dispute Resolution Process
- Governance Manual
- Communication Plan
- Strategic Plan
- Investment Policy & Objective Statement

More on-line at www.stsc.gov.sk.ca

Teachers' Superannuation Plan

The Teachers' Superannuation Plan was inaugurated on July 1, 1930 and became a closed plan in 1980. The Teachers' Annuity Plan was established for new teachers who had not previously taught in Saskatchewan and certain teachers who chose to transfer from the old formula plan. Through provincial negotiations, the Annuity Plan later became the Saskatchewan Teachers' Retirement Plan (STRP) administered by the Saskatchewan Teachers' Federation.

Highlights

As at June 30	2016	2015
Active Members	304	396
Inactive Members	*5,429	3,940
Pensioners/Survivors	11,347	11,403
Disability Recipients	44	68
July 1 Retirements	45	74
Total Members	17,169	15,881

* 1,566 former teachers were reinstated into the Teachers' Superannuation Plan as inactive members effective June 30, 2016 due to an amendment to *The Teachers Superannuation and Disability Benefits Act*. Inactive members with less than 20 days of contributory service are now eligible to receive refunds of their contributions plus interest from the Plan.

From July 1, 2015 to June 30, 2016 a total of 149 (2015 – 207) new allowances were granted.

On January 1, 2016 a Cost of Living Allowance increase of 1.0% (2015 – 1.4%) was applied to pension allowances and disability benefits.

Investment earnings of 8.93% (2015 – 7.78%) were credited to teachers in the Teachers' Superannuation Fund. These earnings include only 25% of the current period change in fair values of investments and 25% of each of the previous 3 years' change in fair values (including both realized and unrealized gains and losses) in accordance with the policy established for administrative purposes by the Commission.

The Teachers' Superannuation Commission administers a Voluntary Contributions Fund, which allows active teachers to make additional tax-deductible contributions that are invested separately from the mandatory superannuation contributions.

Investment losses of -0.48% were applied to the Voluntary Contributions Fund at June 30, 2016 (2015-investment earnings of 7.17%). There are 70 members (2015 – 75) with contributions in the Voluntary Contributions Fund.

Teachers' Group Life Insurance Plan

The Teachers' Superannuation Commission administers the Teachers' Group Life Insurance Plan for active and superannuated teachers. An annual report for activities of the group life insurance plan will be tabled under separate cover for 2015-16.

Teachers' Disability Benefits Plan

Disability benefits are available when a teacher is physically or mentally incapacitated and unable to teach. All payments are a charge on and payable from the General Revenue Fund of the Province of Saskatchewan, pursuant to Section 38(2) of *The Teachers Superannuation and Disability Benefits Act*.

Eligibility

Teachers who participate in The Teachers' Superannuation Plan are eligible for benefits from this Plan. The Plan provides benefits based on a formula incorporating years of service and average earnings. To be eligible, a teacher must have 10 years of eligibility service of which three years are in the five years immediately preceding the disability date, be under the age of 65 and the disability continues beyond 60 days. The disability payment commences when the sick leave benefits from a school board cease.

Medical evidence is required from two physicians verifying the disability. Ongoing eligibility for benefits is confirmed by periodic medical reviews.

Teachers who are partially disabled and teaching on a part-time basis are entitled to benefits in proportion to the non-teaching time.

A teacher's disability benefit ceases on the earliest of:
(a) The commencement of a pension allowance;
(b) The attainment of age 65 by the teacher; and
(c) The death of the teacher.

At June 30, 2016, 44 teachers (2015 – 68) were in receipt of disability benefits from the Plan. Teachers are also encouraged to apply for disability benefits from the Canada Pension Plan. If benefits are not payable from the Canada Pension Plan, the amount payable by the Teachers' Disability Benefits Plan are increased accordingly.

Highlights

As at June 30	2016	2015
New Applications	0	6
Medical reviews	35	58
Return to teaching	0	1
Commenced Superannuation Allowance	24	31
Deceased	0	0

At its meetings, the Commission receives new disability applications, grants benefits to the teachers who meet the eligibility requirements and sets dates for follow-up medical reviews. Administration reviews subsequent medical reports for teachers already approved for benefits and submits a report to the Commission for approval of continued benefits. During the year, the Plan paid disability benefits of $1.0 million (2015 – $1.6 million).

Valuation

The most recent valuation was performed at June 30, 2015 and extrapolated to June 30, 2016. The total Plan deficit as at June 30, 2016 is $2.0 million.

Teachers' Dental Plan

The Teachers' Dental Plan was implemented effective January 1, 1986 for Saskatchewan teachers and is a collectively bargained benefit. In accordance with *The Teachers' Dental Plan Act*, the Minister of Finance, on behalf of the Government of Saskatchewan, is responsible for all the costs associated with the dental plan. The Teachers' Dental Plan is a benefit provided to all eligible teachers and their families for dental care promoting health and wellness. The intent of the plan is to promote good dental health by reducing costs for preventative, routine and major restorative dental work. Teachers with regular or temporary contracts are eligible for dental coverage as well as their spouse and dependants. Dependents 21 years of age to the age of 26 continue to be eligible for coverage provided they are in full-time attendance at an educational institution. Teachers receiving disability benefits under the STF Income Continuance Plan and/or the Teachers' Disability Benefits Plan are covered under the Plan.

Dental Coverage

The Plan provides Saskatchewan teachers and their dependants with coverage for Preventive, Routine and Major Restorative dental services. It also provides orthodontic services for members.

Level I – Preventive Services – 100% of the eligible charge.
Level II – Basic and Routine Services – 85% of the eligible charge.
Level III – Major Restorative Services – 60% of the eligible charge.
Level IV – Orthodontic Services – 50% of the eligible charge to the maximum of $2,000 per person.

Insurance Carrier

The Government of Saskatchewan and the STF mutually agree upon the insurance carrier to provide administrative services. The dental plan is administered by Sun Life Assurance Company of Canada on an Administrative Services Only (ASO) basis under Group Policy # 25273. Teachers can electronically submit or mail claims directly to Sun Life for processing. Dental forms can be downloaded from the internet on the website www.stsc.gov.sk.ca/forms/. Sun Life can be contacted at their toll free number 1-800-361-6212 or online at www.sunlife.ca.

Highlights

For the year ending December 31, 2015, Sun Life processed 55,055 (2014 – 51,430) dental claims.

For the year ending December 31, 2015, the government paid $12,064,520 (2014 – $11,320,717) in dental benefits and administrative costs.

Dental claim forms and additional information on the dental plan regarding costs, benefits after termination, pre-treatment estimates, coordination of benefits, maximum reimbursement levels, dependent coverage, how to make a claim, link to enroll on the insurance carrier website, fee changes, etc., are available on-line at www.stsc.gov.sk.ca/dental/.

Teachers' Superannuation Commission
Management Report, 2016

The management of the Teachers' Superannuation Commission is responsible for the integrity of the accompanying financial statements and all other information in this Annual Report. In Canada, it is the responsibility of management to prepare financial statements in accordance with Canadian generally accepted accounting principles.

The integrity of the financial records from which these financial statements are prepared is largely dependent on the systems of internal accounting controls. The purpose of such systems is to provide reasonable assurance that transactions are executed in accordance with proper authorization, transactions are appropriately recorded in order to permit preparation of financial statements and assets are properly accounted for and safeguarded against loss from unauthorized use. Underlying this concept of reasonable assurance is the fact that limitations exist in any system of internal accounting controls based on the premise that the cost of such controls should not exceed the benefits derived there from.

The pension obligations and actuarial value of net assets available for benefit are determined by an actuarial valuation and extrapolation. Actuarial valuation and extrapolation reports require best judgment in order that the financial statements reflect fairly the financial position of the Plan. The actuary's opinion for the Teachers' Superannuation Plan for the June 30, 2015 valuation and the extrapolation of the valuation results to June 30, 2016 appear on page 25.

The financial statements have been audited by the Provincial Auditor of Saskatchewan. The report to the Members of the Legislative Assembly, stating the scope of the examination and opinion on the financial statements, appears on page 26.

The financial statements have been examined and approved by the Commission.

Doug Volk, BA, PPAC
Executive Director

Sharlene Arklie, FCPA, FCGA
Senior Manager, Financial Operations

Regina, Saskatchewan
October 13, 2016

Actuary's Opinion

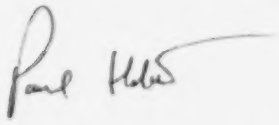
Aon Hewitt was retained by the Saskatchewan Teachers' Superannuation Commission (the "Commission") to perform an actuarial valuation of the assets and liabilities of the Saskatchewan Teachers' Superannuation Plan (the "Plan") as at June 30, 2015. Aon Hewitt was further retained to prepare an extrapolation of the valuation results to June 30, 2016 for inclusion in the Annual Report with respect to *The Teachers Superannuation and Disability Benefits Act* for the Year Ended June 30, 2016.

The valuation and extrapolation of the Plan's actuarial assets and liabilities were based on:

- Membership data provided by the Commission as at June 30, 2015;
- Financial Statements as at June 30, 2016 provided by the Commission;
- Methods prescribed by the Chartered Professional Accountants of Canada for pension plan financial statements; and
- Assumptions about future events (economic and demographic) which were developed by management and Aon Hewitt and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate liabilities for the Plan's financial statements contained in the Annual Report represent management's best estimate of future events, and while, in my opinion, these assumptions are appropriate for the purposes of the valuation and extrapolation, the Plan's future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations and will affect the financial position of the Plan.

I have tested the data for reasonableness and consistency with prior valuations and, in my opinion, the data is sufficient and reliable for the purposes of the valuation and the extrapolation. In my opinion, the methods and assumptions used in the valuation and extrapolation are appropriate for the purposes of the valuation and extrapolation. My opinions have been given, and the valuation and extrapolation have been performed, in accordance with accepted actuarial practice in Canada.



Paul Hebert
Fellow, Canadian Institute of Actuaries
Fellow, Society of Actuaries

October 13, 2016

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Teachers' Superannuation Plan, which comprise the statement of financial position as at June 30, 2016, and the statement of changes in net assets available for benefits, and statement of changes in pension obligations for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for pension plans for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Teachers' Superannuation Plan as at June 30, 2016, and the changes in its net assets available for benefits and changes in its pension obligations for the year then ended in accordance with Canadian accounting standards for pension plans.

Judy Ferguson

Regina, Saskatchewan
October 13, 2016

Judy Ferguson, FCPA, FCA
Provincial Auditor

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Teachers' Superannuation Plan
Statement of Financial Position

Statement 1

As at June 30
(in thousands of dollars)

	2016			2015		
	Superannuation Fund	Voluntary Contributions Fund	Total	Superannuation Fund	Voluntary Contributions Fund	Total
ASSETS						
Cash	$ 83	$ -	$ 83	$ 142	$ -	$ 142
Due from General Revenue Fund (Note 3)	205	26	231	340	39	379
Accrued investment income	414	-	414	831	-	831
Investments (Note 4):						
Bonds and debentures	76,474	-	76,474	180,508	-	180,508
Pooled Funds	42,451	3,122	45,573	64,425	3,302	67,727
Equities	25,490	-	25,490	44,000	-	44,000
Private equity	49,090	-	49,090	61,953	-	61,953
Short – term	141,295	-	141,295	87,890	-	87,890
	335,502	3,148	338,650	440,089	3,341	443,430
Contributions receivable:						
Teachers	217	-	217	237	-	237
General Revenue Fund	41,184	-	41,184	10,957	-	10,957
	41,401	-	41,401	11,194	-	11,194
Prepaid Investment Fees	-	-	-	40	-	40
Total assets	$ 376,903	$ 3,148	$ 380,051	$ 451,323	$ 3,341	$ 454,664
LIABILITIES						
Accounts payable	$ 50	$ -	$ 50	$ 220	$ 1	$ 221
Total liabilities	50	-	50	220	1	221
NET ASSETS AVAILABLE FOR BENEFITS	376,853	3,148	380,001	451,103	3,340	454,443
Pension obligation (Statement 3)	6,329,226	3,148	6,332,374	6,608,029	3,340	6,611,369
Deficit	$ 5,952,373	$ -	$ 5,952,373	$ 6,156,926	$ -	$ 6,156,926

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan — Statement 2
Statement of Changes in Net Assets Available for Benefits

Year Ended June 30

(in thousands of dollars)

	2016			2015		
	Superannuation Fund	Voluntary Contributions Fund	Total	Superannuation Fund	Voluntary Contributions Fund	Total
INCREASE IN ASSETS:						
Investment Income:						
Interest	$ 3,981	$ -	$ 3,981	$ 6,211	$ -	$ 6,211
Dividends	7,504	-	7,504	7,293	-	7,293
Pooled Fund Distributions	-	212	212	1,913	278	2,191
Total investment income	11,485	212	11,697	15,417	278	15,695
Increase (decrease) in fair value of investments	$ 6,045	$ (222)	$ 5,823	$ 21,522	$ (49)	$ 21,473
Contributions:						
General Revenue Fund other contributions	250,490	-	250,490	216,489	-	216,489
Teachers	1,329	10	1,339	1,780	16	1,796
General Revenue Fund matching contributions	1,326	-	1,326	1,778	-	1,778
Other transfers and contributions	390	-	390	274	-	274
Total contributions	253,535	10	253,545	220,321	16	220,337
Total increase in assets	$ 271,065	$ -	$ 271,065	$ 257,260	$ 245	$ 257,505
DECREASE IN ASSETS:						
Allowances to superannuates	$ 340,694	$ -	$ 340,694	$ 341,129	$ -	$ 341,129
Refunds and transfers	3,628	188	3,816	4,908	503	5,411
Investment expenses (Note 7)	703	4	707	2,273	5	2,278
Marriage breakdown payments	290	-	290	564	-	564
Total decrease in assets	$ 345,315	$ 192	$ 345,507	$ 348,874	$ 508	$ 349,382
(Decrease) increase in net assets	(74,250)	(192)	(74,442)	(91,614)	(263)	(91,887)
NET ASSETS AVAILABLE FOR BENEFITS, beginning of year	451,103	3,340	454,443	542,717	3,603	546,320
NET ASSETS AVAILABLE FOR BENEFITS, end of year	$ 376,853	$ 3,148	$ 380,001	$ 451,103	$ 3,340	$ 454,443

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan
Statement of Changes in Pension Obligations

Statement 3

Year Ended June 30

(in thousands of dollars)

	2016			2015		
	Superannuation Fund (Note 8)	Voluntary Contributions Fund	Total	Superannuation Fund (Note 8)	Voluntary Contributions Fund	Total
PENSION OBLIGATIONS, beginning of year	$ 6,608,029	$ 3,340	$ 6,611,369	$ 5,858,239	$ 3,603	$ 5,861,842
INCREASE IN PENSION OBLIGATIONS:						
Interest accrued on obligations	176,955	-	176,955	193,477	-	193,477
Obligations accrued	9,518	-	9,518	11,107	245	11,352
Impact of assumption changes	4	-	4	891,806	-	891,806
	186,477	-	186,477	1,096,390	245	1,096,635
DECREASE IN PENSION OBLIGATIONS:						
Impact of plan Experience	120,668	-	120,668	-	-	-
Obligations paid	344,612	192	344,804	346,600	508	347,108
	465,280	192	465,472	346,600	508	347,108
PENSION OBLIGATIONS, end of year	$ 6,329,226	$ 3,148	$ 6,332,374	$ 6,608,029	$ 3,340	$ 6,611,369

(See accompanying notes to the financial statements)

Teachers' Superannuation Plan
Notes to the Financial Statements

June 30, 2016

1. Status of the Commission

The Saskatchewan Teachers' Superannuation Commission administers a pension plan, the Teachers' Superannuation Plan, consisting of the Teachers' Superannuation Fund and the Voluntary Contributions Fund (hereafter collectively referred to as the Plan). The Teachers' Superannuation Fund is used to account for the net assets accumulated for the defined benefit final average pension plan for teachers who commenced service prior to July 1, 1980. The Voluntary Contributions Fund is a money purchase fund, used to account for the net assets accumulated for teachers' voluntary contributions.

Description of the Plan

The plan is a registered pension plan as defined by the *Income Tax Act (Canada)* and accordingly, is not subject to income taxes. Allowances and refunds are subject to withholding taxes that are remitted to the Canada Revenue Agency. The following description is a summary only. For more complete information, reference should be made to *The Teachers Superannuation and Disability Benefits Act* (the Act).

Teachers' Superannuation Fund

a) Funding Policy

Members are required to contribute 6.05% of their salary subject to Canada Pension Plan contributions, and 7.85% on the remainder of their salary. The Government's General Revenue Fund (GRF) pays into the Teachers' Superannuation Fund an amount equal to the amount contributed by members. Also, the GRF pays into the Teachers' Superannuation Fund other contributions pursuant to section 9(4) of the Act. Section 9(4) of the Act requires the GRF to pay yearly an amount by which the allowances, transfers and refunds that are paid out in that fiscal year exceed the credited contributions of members with respect to whom an allowance commences or a refund or transfer is made in that fiscal year.

b) Age and Service Allowance

The annual amount of pension is determined as follows:

- 2% of the five highest years salary times years of service (maximum 35 years)
- reduced at age 65 for Canada Pension Plan integration
- increased each January 1 by 80% of the increase in the Consumer Price Index for Canada

c) Interest Credited to Contributions

As of July 1, 1994, the interest credited to contributions is based on an annual rate determined by the Commission to be the annual rate of return earned from the investments of the Fund in a fiscal year, compounded annually. See Note 5 for determination of investment earnings.

d) Death Benefits

When a superannuate dies, the spouse receives 60% of the allowance plus a further 10% for each dependent child to a maximum of 25%. If there is neither a spouse nor dependent children, the nominee or estate receives a lump sum payment of the difference, if any, between the teacher's contributions and interest at retirement and the total pension paid to date.

e) Refunds

Refunds to teachers typically consist of the teacher's contributions and interest on those contributions.

Voluntary Contributions Fund

The Teachers' Superannuation Commission administers the Voluntary Contributions Fund. The Voluntary Contributions Fund allows active teachers to make contributions into the Fund, according to the limits set out in the *Income Tax Act (Canada)*.

The Voluntary Contributions Fund is credited with all voluntary contributions, any interest earned and any other revenue accrued from the investment of monies in the Voluntary Contributions Fund less investment expenses. The Voluntary Contributions Fund amount is reduced by amounts paid out at the time the teacher makes an application for a refund. If eligible, the accumulated contributions and interest earned are paid to the teacher, the teacher's nominee or to the teacher's estate.

2. Significant Accounting Policies

The following accounting policies are considered significant:

a) Basis of Presentation

The financial statements for the year ended June 30, 2016 have been prepared in accordance with Canadian accounting standards for pension plans as defined in the CPA Canada Handbook Section 4600, *Pension Plans*. For matters not addressed in Section 4600, *Pension Plans,* Canadian Accounting Standards for Private Enterprises (ASPE) have been followed. These financial statements were authorized and issued by the Board on October 13, 2016.

b) Investments

Investments in bonds and equities are recorded at fair value which are determined by reference to closing year end bid prices from recognized security dealers. Transactions in bonds and equities are recorded as of the trade date.

Investments denominated in foreign currency are translated at the exchange rate in effect at year end. Investment transactions and realized gains and/or losses are translated at the exchange rate in effect at the transaction date. Unrealized gains and losses resulting from exchange differences are included in the determination of the change in fair value of investments.

Pooled funds are recorded based on the net asset value per unit of the underlying investments determined using closing bid prices as at year end. Short-term investments are recorded at fair value. Real estate pooled funds and private equity are recorded at fair value as estimated by independent appraisals. The fair value of the investments approximates the market value.

c) **Use of Estimates**

The preparation of financial statements in accordance with Canadian accounting standards for pension plans requires management to make estimates and assumptions that affect the recorded amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statement and the recorded amounts of revenue and expenses during the year. Significant items subject to such estimates and assumptions include the valuation of investments and accrued pension obligation. Actual results could differ from these estimates.

d) **Future Accounting Pronouncements**

Certain new standards, amendments to standards and interpretations are not yet effective for the year ended June 30, 2016 and have not been applied in preparing these financial statements. In particular, IFRS 9, Financial Instruments, which currently has an effective date of adoption of January 1, 2018. The extent of the impact of adoption of this standard is not known at this time.

3. **Due From General Revenue Fund**

The Plan's bank accounts are included in the Consolidated Offset Bank Concentration (COBC) arrangement for the Government of Saskatchewan. Under this arrangement, interest is calculated on the net position of all COBC accounts and is paid by the bank into the GRF.

The Funds' share of this interest is allocated and paid by the GRF on a quarterly basis into the Funds' bank accounts using the Government's thirty-day borrowing rate. The Government's average thirty-day borrowing rate in 2016 was 0.57% (2015 – 0.85%).

4. **Investments**

Due to the long-term horizon of the Plan's pension obligation, the Plan takes a long-term investment perspective. The Commission's strategy is to invest cash flows from contributions, maturing debentures and investment returns into assets such as Canadian, foreign and private equities, pooled funds, money market securities, bonds and real estate pooled funds.

Teachers' Superannuation Fund

The Act and the Plan's investment policy require that all the Fund's investments comply with the provisions of *The Pension Benefits Act, 1992*, which does not allow any one holding to represent more than 10% of the cost of the Fund's portfolio at the time of acquisition.

During 2011-12, the Commission engaged its Investment Consultant to conduct a de-risking optimization study of the asset mix for the Teachers' Superannuation Fund. In March 2012, the Commission amended their investment policy to reflect the de-risking investment strategy. The transition to this new investment strategy was effective July 1, 2012 and the effect of this change has been reflected in the future projections used in the actuarial valuation at June 30, 2015 and the extrapolation at June 30, 2016 in Note 8.

Short-term Investments

These investments are comprised of T-Bills, notes and commercial paper with effective interest rates of 0.49% to 1.07% (2015 – 0.58% to 1.13%) and a weighted average term to maturity 114 days (2015 – 97 days). Interest is receivable at maturity.

Bonds and Debentures

The Plan's investment policy limits, for this Fund, its investment concentration in any one investee or related group to no more than 10% of that corporation's cost of outstanding bonds. Bonds must meet a minimum quality standard of BBB rating as measured by a recognized credit rating service.

For the Teachers' Superannuation Fund, the Plan invests in bonds that are considered to be high quality as described below:

		2016			2015		
	Years to Maturity	Fair Value ($000's)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)	Fair Value ($000's)	Weighted Average Yield (%)	Weighted Average Coupon Rate (%)
Federal Bonds	<1	$ -	-	-	$ 2,385	0.68	2.75
Government of Canada	1-5	15,933	0.81	1.23	41,591	0.86	1.16
	6-20	1,046	2.52	3.83	9,849	1.77	2.40
	20+	1,430	2.63	4.71	13,549	2.61	4.16
Provincial & Provincially	1-5	3,006	1.31	2.58	834	1.03	1.13
Guaranteed Bonds	6-10	1,152	2.01	3.54	13,491	2.05	3.33
Other Provinces	11-15	3,336	2.44	6.13	7,557	2.87	6.13
	16-20	6,953	2.43	4.95	7,636	3.05	5.94
	20+	6,297	2.81	4.07	12,866	3.25	4.51
Saskatchewan	1-5	-	-	-	-	-	-
	11-15	963	2.67	6.40	-	-	-
	16-20	-	-	-	2,192	2.90	6.40
	20+	-	-	-	-	-	-
Municipal	1-5	1,236	1.46	3.90	-	-	-
	6-10	785	2.20	2.50	-	-	-
Corporate Bonds	<1	1,365	1.33	1.71	11,587	1.10	2.48
	1-5	18,758	1.47	2.56	35,851	1.51	2.51
	6-10	7,761	2.92	3.73	11,231	3.01	3.62
	11-15	999	2.94	3.63	-	-	-
	16-20	292	3.79	6.67	1,945	2.46	5.46
	20+	5,162	4.22	5.02	7,944	3.72	5.13
		$ 76,474			$ 180,508		

Actual maturity may differ from contractual maturity because certain borrowers have the right to call or prepay certain obligations with or without call or prepayment penalties.

Equities

		2016	2015
		($000's)	
Common Shares			
	Canadian	$ 17,951	$ 20,705
	Foreign	7,539	23,295
		25,490	44,000
Private Equity		49,090	61,953
Total Equities		$ 74,580	$ 105,953

The Plan's investment policy limits this Fund in any holding to no more than 10% of the outstanding shares of the issuing corporation. The investment policy allows up to 12.5% of the Fund to be invested in foreign equities, including those held in pooled funds. At June 30, 2016, the Plan held 2.25% (2015 – 5.31%) in foreign equities and 0% (2015 – 0%) in pooled foreign equity funds.

Foreign equities and pooled funds are denominated in Canadian dollars. The Fund's equities include common shares that have no fixed maturity date and are generally not exposed to interest rate risk. Dividends are generally declared on a quarterly basis. The average effective dividend rate during the year was 10.9% (2015 – 9.4%).

Pooled Funds

The Plan holds units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the fund manager. The Plan unit holdings are:

	Units Held		% of Total Units Outstanding		Fair Value		Investment Income and Change in Fair Value	
	2016	2015	2016	2015	2016	2015	2016	2015
	(000's)				($000's)		($000's)	
Greystone Canadian Small Cap Fund	-	986	-	3.39	$ -	$ 10,565	$ 114	$ (2,081)
Greystone Real Estate Fund	361	4,858	17.19	2.30	42,451	53,860	7,091	3,374
					$ 42,451	$ 64,425	$ 7,205	$ 1,293

Private Equity

The Plan committed US$36 million, as a Limited Partner, to GE Asset Management Incorporated (GEAM), investment manager for investment in the GEAM International Private Equity Fund, L.P. representing US$437 million in total partnership commitments. One pension trust represents 50% of committed and invested funds with the fifteen Limited Partners representing the remaining 50%. The purpose of the Partnership is to invest in primarily private placement investments and through such investments provide its partners with current income and long-term capital gains. The private placements would be those of companies located and doing a substantial portion of their business outside of the United States. The Teachers' Superannuation Fund has 8.2% (2015 – 8.2%) of the committed and 6.4% (2015 – 6.4%) of the invested funds. As of June 30, 2016, the total value of the GEAM International Private Equity Fund, L.P. was $79.1 million US (2015 – $76.1 million US) and the Plan's share was $6.6 million CDN (2015 – $6.0 million CDN). In December 2014, GEAM exercised its option to extend the harvesting period for GEAM International Private Equity Fund, L.P. by one year. There are no management fees applicable for this extended period.

Effective September 30, 2008, the Plan committed an additional US $37.5 million, as a Limited Partner, to GE Asset Management Incorporated (GEAM), investment manager for investment in the GEAM International Private Equity Fund II, LP. The Teachers' Superannuation Fund has 11.0% (2015 – 11.0%) of the committed and 10.0% (2015 – 11.0%) of the invested funds. As of June 30, 2016, the total value of the GEAM International Private Equity Fund II, L.P. was $83.2 million US (2015 – $133.1 million US) and the Plan's share was $11.5 million CDN (2015 – $18.3 million CDN). In 2014, the General Partnership for GEAM Fund II chose to release 40% of the Fund's commitments subsequent to the end of the investment stage for Fund II.

In September 2015, GE Asset Management (GEAM) released a statement advising that General Electric (GE) is exploring opportunities to sell GEAM to another investment manager firm. GE's intention was to sell all of GEAM's assets as well as its staff. In March 2016, GEAM announced that GE selected State Street Global Advisors (SSGA) to acquire GEAM's asset management and advisory services business. The sale of GEAM to SSGA was finalized in July 2016.

Determination of Fair Value

The determination of fair value for both the Teachers' Superannuation Fund and the Voluntary Contributions Fund is based on valuations that make maximum use of available market information. The best measure of fair value is an independent quoted market price for the same instrument in an active market. An active market is one where quoted prices are readily available representing regularly occurring transactions. Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of the inputs used in the valuation. The three levels of the fair value hierarchy are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted market prices that are observable for the asset or liability either directly or indirectly; and
Level 3 Inputs that are not based on observable market data.

The following table classifies the Plan's financial instruments within a fair value hierarchy:

Teachers' Superannuation Fund ($000's)

	Level 1		Level 2		Level 3		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Bonds and debentures	$ -	$ -	$ 76,474	$ 180,508	$ -	$ -	$ 76,474	$ 180,508
Pooled funds	-	-	-	10,565	42,451	53,860	42,451	64,425
Equities	25,490	44,000	-	-	-	-	25,490	44,000
Private equity	-	-	-	-	49,090	61,953	49,090	61,953
Short - term	141,295	87,890	-	-	-	-	141,295	87,890
Total	$ 166,785	$ 131,890	$ 76,474	$ 191,073	$ 91,541	$ 115,813	$ 334,800	$ 438,776

Fair value measurements using level 3 inputs:

Teachers' Superannuation Fund ($000's)

	Real Estate Pooled		Greystone Private Equity		GE Private Equity		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Balance at July 1	$ 53,860	$ 78,636	$ 37,450	$ 37,980	$ 24,503	$ 17,928	$115,813	$134,544
Purchases	-	-	-	-	-	2,749	-	2,749
Sales	(14,500)	(28,150)	(6,676)	-	(2,887)	(2,701)	(24,063)	(30,851)
Net transfers in (out)	-	-	-	-	-	-	-	-
Gains (Losses):								
Realized	6,255	10,783	6,628	-	3,684	1,562	16,567	12,345
Unrealized	(3,164)	(7,409)	(6,441)	(530)	(7,171)	4,965	(16,776)	(2,974)
Balance at June 30	$ 42,451	$ 53,860	$ 30,961	$ 37,450	$ 18,129	$ 24,503	$ 91,541	$115,813

Realized and unrealized gains and losses appear in the Increase (decrease) in fair value of investments on the Statement of Changes in Net Assets Available for Benefits.

At June 30, 2016, the following techniques were used to determine the fair value of the investments categorized in level 3:

i. Real Estate Pooled Funds

For the Greystone Real Estate Pooled Funds, the Pool Fund Manager uses an independent arm's length appraisal process for each property held within the pooled fund to establish the fair market value of the real estate investments on a semi-annual basis for each property in the Pooled Fund.

The fund is audited by an independent accounting firm on an annual basis which includes a review of the valuation process as well as the appropriateness of the values contained within the financial statements of the Real Estate Pooled Fund to ensure compliance with all standards set by the CPA Canada Handbook and all Canadian pension legislation that may apply to the Fund or its shareholders. Changes in the underlying assumptions would have an immaterial impact on the market value of the investments.

ii. Greystone Private Equity

The Plan's private equity investment in Greystone Capital Managed Investments (GCMI) consists of 183,811 shares (2015 - 223,811). The fair market value of the shares is derived by using an income valuation approach whereby an adjusted operating earnings before interest, taxes, depreciation and amortization (EBITDA) is multiplied by an income multiple and adjusted for working capital cash positions. Changes in the underlying assumptions would have an immaterial impact on the market value of the investments.

iii. GE Private Equity

The Plan's private equity investment in GE Private Equity Fund I and Fund II are held through limited partnerships within the corresponding funds. The investments are valued using the net asset valuation technique by the General Partner, using the best information available, including quoted market prices or market prices for similar assets when available, internal cash flow estimates discounted at an appropriate interest rate or independent appraisals as appropriate. Changes in the underlying assumptions would have an immaterial impact on the market value of the investments.

The Voluntary Contributions Fund holds pooled funds which are classified as level 2 and are described below.

Voluntary Contributions Fund

Pooled Funds

The Plan holds for the Voluntary Contributions Fund units in pooled funds, which have no fixed interest rate, and its returns are based on the success of the manager.

The Greystone EAFE Growth Fund may use derivative financial instruments such as equity index future contracts for managing its equity portfolio and forward contracts for cash management. Derivative financial instruments are financial contracts that change in value resulting from changes in underlying assets or indices. Derivative transactions are conducted in over-the-counter markets directly between two counterparties or on regulated exchange markets. All derivative financial instruments are recorded at fair value using market prices. Where market prices are not readily available, other valuation techniques are used to determine fair value.

The Voluntary Contributions Fund unit holdings are:

	Units Held		% of Total Units Outstanding		Fair Value		Investment Income and Change in Fair Value	
	2016	2015	2016	2015	2016	2015	2016	2015
	(000's)				($000's)		($000's)	
Greystone EAFE Growth Fund	-	-	-	-	$ -	$ -	$ -	$ (1)
Greystone International Equity Fund	18	17	0.36	0.03	163	197	(5)	33
Greystone Canadian Fixed Income Fund	124	134	0.15	0.18	1,363	1,466	59	79
Greystone Canadian Equity Fund	45	39	0.10	0.09	1,008	1,049	(82)	61
Greystone US Equity Fund	10	11	0.09	0.10	153	194	14	53
Greystone Money Market Fund	43	40	0.19	0.17	435	396	3	4
					$ 3,122	$ 3,302	$ (11)	$ 229

5. Teachers' Superannuation Fund - Determination of Investment Earnings for Administrative Purposes

The Commission determines investment earnings of the Superannuation Fund in order to establish what interest must be credited to teachers, and what interest teachers must pay when purchasing past service. The Commission has determined that only 25% of the current period change in fair values of investments (includes both realized and unrealized gains and losses) will be recognized as part of investment earnings. The remaining 75% will be recognized equally over the following three years as part of investment earnings. Interest and dividend income less investment expenses are fully allocated for the current year. The investment earnings rate was 8.93% (2015 – 7.78%) for the year.

6. Voluntary Contributions Fund - Earnings Allocation to Members

The Commission allocates all realized and unrealized gains/losses at year-end. During the year, the Commission allocated investment losses plus investment expenses of $14,708 to teachers' accounts and for 2015 allocated investment gains less investment expenses of $224,792.

7. Related Party Transactions

These financial statements include transactions with related parties. The Plan is related to all Saskatchewan Crown agencies such as ministries, corporations, boards and commissions under the common control of the Government of Saskatchewan. Also, the Plan is related to non-Crown enterprises that the Government jointly controls or significantly influences.

a) Administration

In accordance with the Act, all expenses of the administration are paid out of monies appropriated for the Ministry of Education by the Legislature. Accordingly, no provision for these costs is included in the financial statements.

Expenses related to managing, investing or disposing of assets of the Plan are paid directly by each fund. The annual expenses for custodial, brokerage and investment management fees appear on the following page.

	2016			2015		
	Superannuation Fund ($ 000's)	Voluntary Contributions Fund ($ 000's)	Total ($ 000's)	Superannuation Fund ($ 000's)	Voluntary Contributions Fund ($ 000's)	Total ($ 000's)
Custodial fees	$ 46	$ -	$ 46	$ 50	$ 1	$ 51
Brokerage fees	28	-	28	38	-	38
Investment and asset management fees	629	4	633	2,185	4	2,189
	$ 703	$ 4	$ 707	$ 2,273	$ 5	$ 2,278

b) Investment Management Services

Greystone Managed Investments Inc. (GMI) provides investment management services to the Teachers' Superannuation Fund and the Voluntary Contributions Fund on a fee-for-service basis. The Teachers' Superannuation Fund is a shareholder in Greystone Capital Management Inc. (GCMI) and GMI is wholly-owned by GCMI. The Teachers' Superannuation Fund holds 183,811 common shares (2015 – 223,811 common shares) representing 11.51% of the total shares outstanding in GCMI (2015 – 14.31%). In September 2015, the Teachers' Superannuation Commission accepted an offer from GCMI to its institutional shareholders to purchase 40,000 common shares in GCMI held in the Teachers' Superannuation Fund. The transaction for the sale of the shares was completed in October 2015. Additional details on the transaction appear in Note 4.

c) Investment Holdings

Teachers' Superannuation Fund

Included in the totals for bonds and debentures and income are Province of Saskatchewan holdings of $963,134 (2015 – $2,192,519) and interest income including change in fair value of $61,668 (2015 – $265,636).

8. Actuarial Valuation - Pension Benefits

Accrued Pension Benefit Obligation

The present value of accrued pension benefits was determined using the projected benefit method prorated on services and the best estimate assumptions of the Teachers' Superannuation Commission. Actuarial valuations are performed every two years. Extrapolations are made every year using the last valuation available since the valuation results are not available until approximately six months following the year end. Aon Consulting prepared an actuarial valuation of the Teachers' Superannuation Fund as at June 30, 2015 and June 30, 2013 with an extrapolation made to June 30, 2016 and June 30, 2015 respectively.

The pension liability is based on a number of assumptions about future events including discount rate, rate of salary increase, inflation rate, mortality, retirement rates and termination rates. The actual rates may vary significantly from the long-term assumptions used.

In 2013, the discount rate methodology was changed to better reflect the Saskatchewan provincial bond yield curve to match the timing and amount of future expected benefit payments as well as the expected rate of return on assets assumption to 5% per annum up to 2030. The single discount rate was determined as a blend between the funded and unfunded portions of the Plan and at June 30, 2016, the rate was updated to reflect the expected rate of return on assets assumption of 3.65% per annum up to 2030.

In February 2014, the Canadian Institute of Actuaries (CIA) released the Canadian Pensioner Mortality tables. In 2014, the Commission participated in the Prairie Teacher Mortality study developed for teacher pension

plans in Alberta, Saskatchewan and Manitoba to determine an appropriate mortality table to adopt for future valuations and extrapolations, in accordance with CIA standards. These mortality rates developed are in accordance with the adjusted 2014 Public Sector Canadian Pensioner Mortality table with generational mortality improvements in accordance with Scale CPM-B. The Prairie Teacher Mortality table is reflected in the extrapolation at June 30, 2016 and was used to prepare the actuarial valuation at June 30, 2015.

The assumptions used in determining the actuarial value of accrued pension benefits were:

	2016	2015
▪ salary increases	3.5% thereafter	3.5% thereafter
▪ discount rate	2.8%/ year	2.8%/ year
▪ inflation	2.5%	2.5%
▪ mortality table	CPM-B 2014 generational	CPM-B 2014 generational

The following illustrates the effect of changing certain assumptions from the assumed rates. For the salary and discount rate categories, the changes in assumption are independent of one another. The inflation category, however, shows the impact of changing all assumptions that have an inflation component. In the scenario of the 1% change in inflation, the assumptions for the interest rate, salary increase, Year's Maximum Pensionable Earnings (YMPE) and Canada Revenue Agency pension maximum are also changed by 1%.

	Long-term assumptions					
Effect on Pension Obligation	**Salary**		**Discount rates**		**Inflation**	
	2.5%	4.5%	1.8%	3.8%	1.5%	3.5%
(Decrease) Increase ($000s)	$(906)	$928	$862,668	$(706,680)	$184,938	$(174,666)

Assumption changes arise when the assumptions change from the previous valuation/extrapolation to the current valuation/extrapolation. In the June 30, 2016 extrapolation, the changes in assumptions had a minimal effect on the accrued pension benefit.

Plan experience gains or losses result from the differences between actual and expected terminations, disabilities, retirements, salaries, yearly maximum pensionable earnings, interest credited and deaths that occur between valuations/extrapolations. In the June 30, 2016 extrapolation, these experience gains or losses decreased the liability by $120,668,000 which is primarily made up of indexation experience gains of $96,906,000, $16,070,000 in mortality gains from mortality refinement, salary experience gains of $8,372,000 and $3,145,000 in termination gains offset by $4,093,000 in retirement experience losses.

9. Investment Performance

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Commission. The Commission reviews the investment performance of the Funds in terms of the performance of the benchmark portfolio over four-year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Plan's investment performance, which assumes a full allocation of realized and unrealized gains and losses:

	2016 annual return%	Rolling four-year average annual return%
Teachers' Superannuation Fund [1]	4.1%	6.5%
Target rate of return [2]	3.5%	6.3%
Voluntary Contributions Fund[1]	-0.2%	6.4%
Target rate of return [2]	3.1%	6.5%

[1] The annual returns are before deducting investment expenses

[2] The Commission's weighted target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined, after the fact, using the weighted actual returns of certain market indices such as S&P/TSX Capped Composite Index, S&P 500, MSCI EAFE, FTSE TMX Cda Universe Bond Index, Investment Property Databank and 91-Day T-Bills.

10. Financial Risk Management

The nature of the Plan's operations results in a statement of financial position that consists primarily of financial instruments. The risks that arise are credit risk, market risk (consisting of interest rate risk, foreign exchange risk and equity price risk) and liquidity risk.

Significant financial risks are related to the Plan's investments. These financial risks are managed by having an investment policy, which is approved annually by the Commission. The investment policy provides guidelines to the Plan's investment managers for the asset mix of the portfolio regarding quality and quantity of fixed income, real estate and equity investments. The asset mix helps to reduce the impact of market value fluctuations by requiring investments in different asset classes and in domestic and foreign markets. The Commission reviews regular compliance reports from both its investment managers and custodian as to their compliance with the investment policy.

a) Credit Risk

Credit risk is the risk that one party does not pay funds owed to another party. The Plan's credit risk arises primarily from two distinct sources – accounts receivable and certain investments. The maximum credit risk to which it is exposed at June 30, 2016 is limited to the carrying value of the financial assets and is disclosed in the table below:

	2016 Carrying Value ($000's)	2015 Carrying Value ($000's)
Teachers' Superannuation Fund		
Cash	83	142
Contributions receivable	41,401	11,194
Fixed income investments	217,768	268,398
Due from General Revenue Fund	205	340
Voluntary Contributions Fund		
Due from General Revenue Fund	26	39

Fixed income investments include short-term investments and bonds and debentures. Accounts receivable are primarily made up of employee and employer contributions receivable and accrued investment income.

Employee and employer contributions receivable are generally received in less than 30 days. Accrued investment income is received on the next scheduled payment date, generally annually or semi-annually.

For both the Teachers' Superannuation Fund and the Voluntary Contributions Fund, credit risk within investments is primarily related to short-term investments and bonds and debentures. The Commission limits the credit risk by dealing with issuers that are considered to be high quality (minimum rating of BBB for bonds and debentures and R-1 for short-term investments) along with an investment policy that limits the maximum exposure with respect to any one issuer. The credit ratings used to describe the bonds and debentures appear below.

Teachers' Superannuation Fund

	2016		2015	
Credit Rating	Fair Values ($000's)	% Portfolio	Fair Values ($000's)	% Portfolio
AAA	$ 20,430	26.7	$ 73,416	40.7
AA	28,838	37.7	55,168	30.6
A	19,034	24.9	33,621	18.6
BBB	8,172	10.7	18,303	10.1
Total	$ 76,474	100.0	$ 180,508	100.0

With bonds and debentures, there are no holdings from one issuer, other than the Government of Canada or a Canadian province, over 4.67% of the market value of the combined bonds and debentures and short-term investment portfolios. No one holding of a province is over 13.19% of the market value of the investment portfolio.

b) Market Risk

The Commission invests in publicly traded equities and bonds available on domestic and foreign exchanges. These securities are affected by market changes and fluctuations. The Commission manages market risk by investing in different domestic and foreign markets and through the establishment and review of asset mix ranges and limits for various investments. The Commission does not use derivative financial instruments to alter the effects of these market changes and fluctuations except through their use in pooled funds.
Market risk represents the potential for loss from changes in the value of financial instruments. Value can be affected by changes in interest rates, foreign exchange rates and equity prices. Market risk primarily impacts the value of investments.

Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Plan's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Plan's assets and liabilities. The value of the Plan's assets is affected by short-term changes in nominal interest rates in its short-term investments and bonds and debentures. Interest rate risk is managed by investing in bonds and debentures with varying durations.

It is estimated that a 100 basis point change in interest rates would change net assets available for benefits and Plan deficit by $13.7 million at June 30, 2016; representing 6.3% of the $217.8 million of fixed income investments.

The Voluntary Contributions Fund is exposed to changes in interest rates in its money market and the fixed income pooled funds. It is estimated that a 100 basis point change in interest rates would change net assets available for benefits by $0.1 million at June 30, 2016; representing 6.3% of the $1.8 million of fixed income investments.

Foreign Currency Risk

Foreign currency exposure arises from the Plan holding investments denominated in currencies other than the Canadian Dollar. Fluctuations in the relative value of the Canadian Dollar against these foreign currencies results in a positive or negative effect on the fair value of investments. Exposure to both U.S. equities and non-North American equities is limited to a maximum 15% of the market value of the total investment portfolio. At June 30, 2016, the Plan's exposure to U.S. currencies was 7.7% (2015 – 10.9%).

At June 30, 2016, a 10% change in the Canadian Dollar versus the U.S. Dollar exchange rate would result in approximately a $2.6 million change in the net assets available for benefits and Plan deficit.

Equity Price Risk

The Teachers' Superannuation Fund is exposed to changes in equity prices in Canadian, U.S. and EAFE markets. Equities and equity pooled funds comprise 16.9% (2015 – 21.0%) of the market value of the Fund's total investments. The investment policy of the Teachers' Superannuation Fund limits the Plan's equity exposure to 20.0% of the Plan's total investments and any holding to represent no more than 10% of the outstanding shares of the issuing corporation with the exception of the Greystone shares. The policy also limits the Voluntary Contributions Fund's equity exposure to 60% of the Plan's total investments.

For the Voluntary Contributions Fund, equity pooled funds comprise 42.4% (2015 – 43.6%) of the market value of the Fund's total investments.

The following table indicates the approximate change that could be anticipated to both the increase in net assets available for benefits and Plan deficit based on changes in the Plan's benchmark indices at June 30, 2016.

	Change in thousands of $	
	10% increase	10% decrease
Teachers' Superannuation Fund		
S&P/TSX Composite Index	$ 4,891	$ (4,891)
S&P 500 Index	754	(754)
Voluntary Contributions Fund		
S&P/TSX Composite Index	$ 101	$ (101)
S&P 500 Index	15	(15)
MSCI EAFE Index	16	(16)

Securities Collateral

At June 30, 2016, the Plan has not borrowed any securities, therefore no Plan assets have been deposited or pledged as collateral or margin. As part of the Plan's securities lending strategy, cash and non-cash collateral has been pledged as security to the Plan by various counterparties for securities out on loan to the counterparties. At June 30, 2016, cash collateral of $Nil million (2015 – $14.1 million) and non-cash collateral of $35.0 million (2015 – $38.7 million) was pledged to the Plan.

For loans of Canadian fixed income securities and Canadian equities collateralized by cash, the cash collateral must have a market value of not less than 102% of the market value of the loaned securities. For loans of Canadian fixed income securities and Canadian equities collateralized by non-cash collateral, the collateral must have a market value of not less than 105% of the market value of the loaned securities.

The Voluntary Contributions Fund does not have a securities lending strategy.

Real Estate Risk

Risk in the real estate pooled fund is managed through diversification across real estate types and locations. Adverse impacts in any one segment of the market or geographic location are minimized by having holdings diversified across property type, geographic location and investment size. The real estate portfolio currently consists of $42.4 million (2015 – $53.9 million) in real estate pooled funds.

The Voluntary Contributions Fund does not have real estate holdings.

c) Liquidity Risk

The Plan is exposed to liquidity risk through its responsibility to pay pensions on a timely basis. The contributions from the GRF as well as the majority of Plan investments provide sufficient liquidity to support the Plan's required cash flows without impacting its asset mix. Cash resources are managed on a daily basis based on anticipated cash flows. Accounts payable are due within one year.

11. Cash Flow Forecast

The total cash inflow is the amount of contributions and investment income expected to be received by the pension plan. The GRF contributions include matching contributions and additional amounts contributed pursuant to section 9(4) of the Act. The total cash outflow is the amount required to pay all pension obligations. The cash required is the amount by which the cash outflows exceed cash inflows and is forecasted to the year 2041. The cash required will be funded from the proceeds of disposals of investments for the period 2016 to 2030.

The forecast of cash inflows and outflows have been determined using the long-term assumptions used in the June 30, 2015 valuation. All amounts shown are based on actual dollar forecasts and appear below.

	Cash inflows				
	Teachers Contributions	GRF Contributions	Investment Income	Cash Outflows	Cash Required
	($ 000's)	($ 000's)	($ 000's)	($ 000's)	($ 000's)
2016-17	1,001	267,663	12,347	347,771	66,760
2017-18	728	296,511	10,439	347,187	39,509
2018-19	479	297,976	9,038	346,115	38,622
2019-20	349	301,139	7,728	343,713	34,497
2020-21	207	308,598	6,655	340,703	25,243
Total within 5 years	$ 2,764	$ 1,471,887	$ 46,207	$ 1,725,489	$ 204,631
Total 6 to 10 years	$ 164	$ 1,548,634	$ 20,706	$ 1,670,479	$ 100,975
Total 11 to 30 years	$ 0	$ 5,044,520	$ 5,819	$ 5,122,256	$ 71,917

12. Fair Value of Financial Assets and Financial Liabilities

For the following financial instruments the fair value approximates their carrying value due to the immediate or short-term nature of these instruments. These financial instruments are interest and non-interest bearing and are due or payable within the next year.

- Cash
- Due from GRF
- Accrued investment income
- Teachers' contributions receivable and GRF contributions receivable
- Accounts Payable

For investments, fair values are considered to be market value, the calculation of which is described in Note 4. The actuarial accrued pension benefits are long-term in nature and there is no market for settling these obligations. Therefore, determination of the fair value of the actuarial accrued pension benefits is not practicable (see Note 8).

13. Capital Management

The Plan receives new capital from employee and employer contributions. The plan also benefits from income and market value increases on its invested capital. The Plan's capital is invested in a number of asset classes including equities, fixed-income and short-term investments. The Commission has delegated the operational investment decisions to a number of different investment management firms through a number of different investment mandates as defined in the Plan's Statement of Investment Policy and Objective Statement (IP&OS).

Investment Schedules

SCHEDULE 1
TEACHERS' SUPERANNUATION FUND
SCHEDULE OF INVESTMENTS AND ACCRUED INTEREST AS AT JUNE 30 (UNAUDITED)

	2016		2015	
	Total Fair Value ($000's)	Accrued Interest ($000's)	Total Fair Value ($000's)	Accrued Interest ($000's)
Canada and Canada Guaranteed	$ 18,409	$ 18	$ 67,374	$ 76
Provincial and Provincially Guaranteed	21,707	79	44,576	179
Urban Municipalities And Hospitals	2,021	7	-	-
Corporate Debentures	34,337	245	68,558	478
Corporate Shares	25,490	64	44,000	96
Pooled Funds	42,451	-	64,425	-
Short Term	141,295	1	87,890	2
Private Equity	49,090	-	61,953	-
Total	**$ 334,800**	**$ 414**	**$ 438,776**	**$ 831**

SCHEDULE 2

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2016 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
DEBENTURES:			
GOVERNMENT OF CANADA	Jun. 01, 2041	4.00	3,259,326
GOVERNMENT OF CANADA	Dec. 01, 2045	3.50	1,739,849
407 INTERNATIONAL INC	May 11, 2046	3.83	213,000
ALTALINK LP	Nov. 06, 2023	3.67	309,864
ALTAGAS LTD	Apr. 07, 2026	4.12	393,775
ALTALINK LP	May 29, 2026	2.75	306,000
ALTALINK LP	Jun. 30, 2042	3.99	56,066
BANK OF MONTREAL	Aug. 02, 2016	2.96	2,284,905
BANK OF MONTREAL	Sep. 13, 2018	3.21	1,066,115
BANK OF MONTREAL	Oct. 06, 2020	2.10	1,915,141
BANK OF MONTREAL	Mar. 31, 2021	1.88	721,964
BANK OF MONTREAL	Jun. 30, 2026	1.00	383,946
BANK OF NOVA SCOTIA	Nov. 08, 2016	2.10	250,629
BANK OF NOVA SCOTIA	Mar. 22, 2018	2.24	588,261
BANK OF NOVA SCOTIA	May 1, 2018	1.33	490,959
BELL CANADA	Oct. 03, 2022	3.00	640,422
BELL CANADA	Mar. 02, 2026	3.55	359,643
BRIT COL MUNI FIN AUTH	Jun. 01, 2021	4.15	1,292,803
BRIT COL MUNI FIN AUTH	Jun. 01, 2022	3.35	657,692
BRIT COL MUNI FIN AUTH	Apr. 19, 2026	2.50	1,262,331
CANADA HOUSING TRUST	Jun. 15, 2016	2.75	12,421,314
CANADA HOUSING TRUST	Mar. 15, 2018	1.00	7,858,469
CANADA HOUSING TRUST	Jun. 15, 2018	2.05	5,836,081
CANADA HOUSING TRUST	Dec. 15, 2018	2.35	8,417,486
CANADA HOUSING TRUST	Sep. 15, 2019	1.00	14,602,041
CANADA HOUSING TRUST	Jun. 15, 2021	1.25	2,193,519
CANADA HOUSING TRUST	Dec. 15, 2022	2.40	4,338,906
CANADIAN IMPERIAL BANK	Mar. 07, 2018	2.22	3,731,308
CANADIAN IMPERIAL BANK	Oct. 09, 2018	1.70	3,014,189
CHOICE PROPERTIES REIT	Mar. 07, 2023	3.20	240,000
CU INC	Jul. 27, 2045	3.96	286,038
ENBRIDGE GAS DISTRIBUTION	Sep. 11, 2025	3.31	189,935
ENBRIDGE INC	Mar. 09, 2020	4.53	186,183
ENBRIDGE PIPELINES INC	Sep. 29, 2025	3.45	1,337,654
FEDERATED CO OPERATIVES	Jun. 17, 2025	3.92	386,807
GREATER TORONTO AIRPORTS	Apr. 17, 2018	5.26	248,681
HSBC BANK CANADA	Nov. 26, 2018	2.08	733,000
HSBC BANK CANADA	Jan. 29, 2021	2.45	411,004

SCHEDULE 2

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2016 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
HYDRO ONE INC	Oct. 09, 2018	2.78	437,680
HYDRO ONE INC	Feb. 23, 2046	3.91	320,551
INTER PIPELINE LTD	May 30, 2022	3.78	671,168
JOHN DEERE CANADA FND IN	Sep. 17, 2020	2.05	685,547
LOBLAW COS LTD	Mar. 12, 2019	3.75	536,342
MANUFACTURERS LIFE INSURANCE	Nov. 22, 2027	1.00	1,121,000
NATIONAL BANK OF CANADA	Jun. 22, 2016	1.00	6,601,890
NATIONAL BANK OF CANADA	Apr. 13, 2017	2.02	327,272
NATIONAL BANK OF CANADA	Jun. 14, 2017	1.00	8,700,000
NATIONAL BANK OF CANADA	Dec. 11, 2017	1.95	760,671
NORTH WEST REDWATER PRT	Apr. 24, 2026	3.20	625,664
NORTH WEST REDWATER PRT	Jun. 01, 2029	4.25	684,093
NORTH WEST REDWATER PRT	Jan. 10, 2039	4.35	554,516
PROVINCE OF ALBERTA	Dec. 15, 2022	2.55	500,579
PROVINCE OF BRITISH COLUMBIA	Jun. 18, 2031	6.35	181,980
PROVINCE OF ONTARIO	Mar. 16, 2021	1.00	1,529,000
PROVINCE OF ONTARIO	Jun. 02, 2022	3.15	862,622
PROVINCE OF ONTARIO	Jun. 02, 2026	2.40	814,492
PROVINCE OF ONTARIO	Jun. 02, 2037	4.70	134,853
PROVINCE OF ONTARIO	Jun. 02, 2045	3.45	5,543,836
PROVINCE OF ONTARIO	Dec. 02, 2046	2.90	1,626,410
PROVINCE OF QUEBEC	Jun. 01, 2032	6.25	739,062
PROVINCE OF QUEBEC	Dec. 01, 2041	5.00	279,528
ROYAL BANK OF CANADA	Jul. 12, 2018	2.82	4,266,426
ROYAL BANK OF CANADA	Mar. 15, 2021	2.03	762,710
TELUS CORP	Mar. 10. 2026	3.75	768,489
TORONTO DOMINION BANK	Apr. 02, 2018	2.17	1,409,569
TORONTO DOMINION BANK	Sep. 30, 2025	1.00	913,000
TRANSCANADA PIPELINES	Jul. 19, 2023	3.69	926,854
TRANSCANADA PIPELINES	Jun. 06, 2046	4.35	469,903
WELLS FARGO + COMPANY	May 19, 2026	2.98	717,000
WELLS FARGO CANADA CORP	Feb. 09, 2017	2.77	666,973
WELLS FARGO CANADA CORP	Nov. 15, 2018	2.78	1,572,319
WESTCOAST ENERGY INC	Dec. 08, 2025	3.77	445,817
SHARES:			
ALGONQUIN POWER + UTILITIES		–	93,531
ALIMENTATION COUCHE TARD B		–	216,619
ALLERGAN PLC		–	85,720

SCHEDULE 2

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2016 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
ALLIANCE DATA SYSTEMS CORP		--	35,391
ALPHABET INC CL C		--	97,436
ALTRIA GROUP INC		--	18,452
AMERICAN TOWER CORP		--	16,392
APPLE INC		--	24,512
ARC RESOURCES LTD		--	142,461
AUTOZONE INC		--	15,950
BANK OF NOVA SCOTIA		--	294,484
BOARDWALK REAL ESTATE INVESTMENT		--	21,131
BROADCOM LTD		--	229,396
BROOKFIELD ASSET MANAGE CL A		--	240,226
CANADIAN NATL RAILWAY CO		--	290,573
CANADIAN NATURAL RESOURCES		--	400,883
CANADIAN PACIFIC RAILWAY LTD		--	269,278
CANADIAN TIRE CORP CLASS A		--	45,521
CARMAX INC		--	11,610
CBRE GROUP INC A		--	74,985
CCL INDUSTRIES INC CL B		--	501,060
CELGENE CORP		--	10,754
CGI GROUP INC CLASS A		--	250,058
CHEVRON CORP		--	169,180
CHURCH + DWIGHT CO INC		--	12,994
CITIGROUP INC		--	49,014
COLLIERS INTERNATIONAL GROUP		--	113,474
COMCAST CORP CLASS A		--	18,233
CONCORDIA HEALTHCARE CORP		--	428,301
CONSTELLATION SOFTWARE INC		--	66,166
CRESCENT POINT ENERGY CORP		--	34,328
CVS HEALTH CORP		--	14,411
THE DESCARTES SYSTEMS GRP		--	324,217
DETOUR GOLD CORP		--	380,300
DOLLARAMA INC		--	33,491
ELEMENT FINANCIAL CORP		--	347,985
ENBRIDGE INC		--	323,027
FACEBOOK INC A		--	46,602
FIRST QUANTUM MINERALS LTD		--	382,969
FIRSTSERVICE CORP		--	213,153
FORTIS INC		--	499,067
GOLDCORP INC		--	699,493

SCHEDULE 2

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2016 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
HALLIBURTON CO		--	103,789
HEXCEL CORP		--	41,924
HOME DEPOT INC		--	17,219
HONEYWELL INTERNATIONAL INC		--	20,966
HUMANA INC		--	294,719
INTACT FINANCIAL CORP		--	296,884
INTERCONTINENTAL EXCHANGE INC		--	17,565
ISHARES S+P/TSX 60 INDEX ETF		--	111,726
JPMORGAN CHASE + CO		--	46,748
LAM RESEARCH CORP		--	38,588
LINAMAR CORP		--	162,227
LOBLAW COMPANIES LTD		--	846,255
LOCKHEED MARTIN CORP		--	17,313
LYONDELLBASELL INDU CL A		--	32,899
MAGNA INTERNATIONAL INC		--	195,755
MANULIFE FINANCIAL CORP		--	471,453
MASCO CORP		--	238,331
MASTERCARD INC CLASS A		--	16,262
MEDTRONIC PLC		--	42,272
MICHAEL KORS HOLDINGS LTD		--	99,790
MICROSOFT CORP		--	407,440
MONSTER BEVERAGE CORP		--	17,552
NEW FLYER INDUSTRIES INC		--	199,074
NEXTERA ENERGY INC		--	14,700
OCEANAGOLD CORP		--	365,805
PEMBINA PIPELINE CORP		--	508,507
PEPSICO INC		--	271,829
PEYTO EXPLORATION + DEV CORP		--	43,866
PFIZER INC		--	15,442
POTASH CORP OF SASKATCHEWAN		--	46,354
POWER FINANCIAL CORP		--	116,818
THE PRICELINE GROUP INC		--	9,828
ROYAL BANK OF CANADA		--	467,877
SECURE ENERGY SERVICES INC		--	172,480
SEVEN GENERATIONS ENERGY A		--	476,985
STELLA JONES INC		--	189,143
TELUS CORP		--	230,377
TJX COMPANIES INC		--	73,260
TORONTO DOMINION BANK		--	435,246

SCHEDULE 2

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2016 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
UNION PACIFIC CORP		--	13,694
UNITEDHEALTH GROUP INC		--	16,835
VALEANT PHARMACEUTICALS INTE		--	523,159
VERIZON COMMUNICATIONS INC		--	16,003
VERMILION ENERGY INC		--	316,723
VISA INC CLASS A SHARES		--	15,497
WAL MART STORES INC		--	239,185
WASTE CONNECTIONS INC		--	458,673
WELLS FARGO + CO		--	16,457
WEST FRASER TIMBER CO LTD		--	208,115
WESTJET AIRLINES LTD		--	78,980
WHITECAP RESOURCES INC		--	464,935
ZOETIS INC		--	13,711
SHORT TERM:			659,793,427
Total			$ 808,676,609

SCHEDULE 3

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2016 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
DEBENTURES:			
GOVERNMENT OF CANADA	Jun. 01, 2041	4.00	11,352,915
GOVERNMENT OF CANADA	Dec. 01, 2045	3.50	1,353,875
407 INTERNATIONAL INC	May 11, 2046	3.83	562,750
55 SCHOOL BOARD TRUST	Jun. 02, 2033	5.90	463,925
ALBERTA CAP FINANCE AUTH	Dec. 15, 2025	4.45	413,175
ALIMENTATION COUCHE TARD	Jun. 02, 2025	3.60	738,300
ALLIANCE PIPELINE LP	Jun. 30, 2023	7.18	470,991
ALTAGAS LTD	Apr. 07, 2026	4.12	308,149
ALTALINK LP	May 29, 2026	2.75	310,569
ALTALINK LP	Jun. 30, 2042	3.99	797,651
BANK OF MONTREAL	Oct. 05, 2015	1.89	2,771,038
BANK OF MONTREAL	Aug. 02, 2016	2.96	2,278,741
BANK OF MONTREAL	Apr. 10, 2017	1.00	2,485,626
BANK OF MONTREAL	Sep. 13, 2018	3.21	286,385
BANK OF MONTREAL	Oct. 06, 2020	2.10	1,935,865

SCHEDULE 3

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2016 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
BANK OF MONTREAL	Mar. 31, 2021	1.88	723,669
BANK OF NOVA SCOTIA	Nov. 08, 2016	2.10	5,129,785
BANK OF NOVA SCOTIA	Mar. 22, 2018	2.24	197,861
BANK OF NOVA SCOTIA	May 1, 2018	1.33	2,224,446
BC FERRY SERVICES INC	Jan. 11, 2038	5.58	657,494
BELL CANADA	Mar. 16, 2018	4.40	1,005,431
BELL CANADA	Jun. 17, 2020	3.25	796,656
BELL CANADA	Oct. 03, 2022	3.00	651,074
BELL CANADA	Mar. 02, 2026	3.55	372,808
BRIT COL MUNI FIN AUTH	Jun. 01, 2021	4.15	450,800
BRIT COL MUNI FIN AUTH	Jun. 01, 2022	3.35	288,400
BRIT COL MUNI FIN AUTH	Apr. 19, 2026	2.50	507,190
CANADA HOUSING TRUST	Jun. 15, 2016	2.75	14,712,004
CANADA HOUSING TRUST	Sep. 15, 2016	1.00	8,071,160
CANADA HOUSING TRUST	Mar. 15, 2018	1.00	24,909,478
CANADA HOUSING TRUST	Jun. 15, 2018	2.05	6,515,789
CANADA HOUSING TRUST	Dec. 15, 2018	2.35	4,923,379
CANADA HOUSING TRUST	Sep. 15, 2019	1.00	9,082,270
CANADA HOUSING TRUST	Dec. 15, 2022	2.40	10,457,071
CANADA HOUSING TRUST	Jun. 15, 2021	1.25	1,414,713
CANADIAN IMPERIAL BANK	Jan. 14, 2016	3.40	5,102,266
CANADIAN IMPERIAL BANK	Mar. 07, 2018	2.22	2,062,204
CANADIAN IMPERIAL BANK	Oct. 09, 2018	1.70	1,107,950
CHOICE PROPERTIES	Apr. 20, 2016	3.00	1,173,213
CHOICE PROPERTIES REIT	Jul. 05, 2018	3.55	652,028
CU INC	Sep. 09, 2043	4.72	865,370
CU INC	Jul. 27, 2045	3.96	278,067
ENBRIDGE GAS DISTRIBUTIO	Sep. 11, 2025	3.31	191,619
ENBRIDGE INC	Mar. 13, 2017	1.00	1,649,890
ENBRIDGE INC	Mar. 09, 2020	4.53	636,039
ENBRIDGE INCOME FUND	Nov. 21, 2016	1.00	599,363
ENBRIDGE PIPELINES INC	Sep. 29, 2025	3.45	749,640
ENBRIDGE PIPELINES INC	Nov. 10, 2039	5.35	741,578
ENERSOURCE CORP	Apr. 29, 2041	5.30	170,828
EPCOR UTILITIES	Apr. 15, 2038	6.65	954,723
FEDERATED CO OPERATIVES	Jun. 17, 2025	3.92	287,655
FINNING INTL INC	Jul. 03, 2020	3.23	280,555
FORTISBC ENERGY INC	May. 13, 2038	5.80	187,575
GREAT WEST LIFECO INC	Mar. 21, 2033	6.67	393,695

SCHEDULE 3

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2016 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
GREAT WEST LIFECO INC	Nov. 16, 2039	6.00	189,555
GREAT WEST LIFECO FINANCE	Jun. 21, 2067	1.00	538,200
GREATER TORONTO AIRPORTS	Apr. 17, 2018	5.26	654,690
HONDA CANADA FINANCE INC	Apr. 07, 2017	1.00	1,072,902
HSBC BANK CANADA	Nov. 26, 2018	2.08	327,210
HSBC BANK CANADA	Jan. 29, 2021	2.45	253,263
HYDRO ONE INC	Oct. 09, 2018	2.78	1,888,522
HYDRO ONE INC	Feb. 23, 2046	3.91	148,720
HYDRO QUEBEC	Dec. 01, 2019	1.00	595,762
INTER PIPELINE LTD	May 30, 2017	1.00	398,724
INTER PIPELINE LTD	Feb. 02, 2021	4.97	1,542,858
INTER PIPELINE LTD	May 30, 2022	3.78	471,887
JOHN DEERE CANADA FND IN	Jan. 14, 2016	1.95	552,736
JOHN DEERE CANADA FND IN	Sep. 17, 2020	2.05	693,801
LOBLAW COS LTD	Mar. 12, 2019	3.75	976,880
LOBLAW COS LTD	Sep. 12, 2023	4.86	570,902
MANUFACTURERS LIFE INSURANCE	Nov. 22, 2027	1.00	575,333
MET LIFE GLOB FUNDING I	Jan. 12, 2016	3.85	1,013,280
MET LIFE GLOB FUNDING I	Apr. 16, 2020	1.88	702,854
MUSKRAT FALLS/LABRADOR	Jun. 01, 2037	3.83	1,474,280
NATIONAL BANK OF CANADA	Jun. 23, 2016	1.00	13,964,501
NATIONAL BANK OF CANADA	Apr. 13, 2017	2.02	1,109,119
NATIONAL BANK OF CANADA	Dec. 11, 2017	1.95	454,590
NATIONAL BANK OF CANADA	Mar. 03, 2020	1.74	434,491
NORTH WEST REDWATER PRT	Apr. 24, 2026	3.20	610,456
NORTH WEST REDWATER PRT	Jun. 01, 2029	4.25	316,380
NORTH WEST REDWATER PRT	Jan. 10, 2039	4.35	259,950
NORTH WEST REDWATER PRT	Feb. 23, 2043	3.70	318,612
ONTARIO INFRASTRUCTURE	Jun. 01, 2037	4.70	574,274
PROVINCE OF ALBERTA	Dec. 15, 2022	2.55	2,323,755
PROVINCE OF ALBERTA	Dec. 01, 2033	3.90	667,484
PROVINCE OF ALBERTA	Dec. 01, 2043	3.45	299,909
PROVINCE OF BRITISH COLUMBIA	Jun. 18, 2029	5.70	914,257
PROVINCE OF BRITISH COLUMBIA	Jun. 18, 2031	6.35	1,051,341
PROVINCE OF MANITOBA	Dec. 01, 2021	3.85	155,750
PROVINCE OF MANITOBA	Sep. 05, 2025	4.40	873,212
PROVINCE OF MANITOBA	Mar. 05, 2041	4.10	1,465,293
PROVINCE OF NOVA SCOTIA	Jun. 01, 2042	4.40	579,434
PROVINCE OF ONTARIO	Jun. 02, 2022	3.15	8,984,728

SCHEDULE 3

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2016 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
PROVINCE OF ONTARIO	Jun. 02, 2037	4.70	766,776
PROVINCE OF ONTARIO	Jun. 02, 2041	4.65	3,152,791
PROVINCE OF ONTARIO	Jun. 02, 2045	3.45	3,568,429
PROVINCE OF ONTARIO	Dec.02, 2046	2.90	1,712,402
PROVINCE OF ONTARIO	Mar. 16, 2021	1.00	672,778
PROVINCE OF ONTARIO	Jun. 02, 2026	2.40	328,569
PROVINCE OF QUEBEC	Jun. 01, 2032	6.25	4,077,964
PROVINCE OF QUEBEC	Dec. 01, 2041	5.00	1,307,155
PROVINCE OF SASKATCHEWAN	Sep. 05, 2031	6.40	1,222,536
ROYAL BANK OF CANADA	Dec. 08, 2016	2.68	4,484,318
ROYAL BANK OF CANADA	Jul. 12, 2018	2.82	1,524,963
ROYAL BANK OF CANADA	Mar. 15, 2021	2.03	768,166
ROYAL BANK OF CANADA	Mar. 02, 2022	1.97	2,174,284
ROYAL BANK OF CANADA	Jun. 04, 2025	1.00	663,105
ROYAL OFFICE FINANCE LP	Nov. 12, 2037	5.21	1,201,123
SMART REIT	Jul. 22, 2022	3.73	404,657
SMART REIT	Feb. 06, 2025	3.56	561,320
SUN LIFE FINANCIAL INC	Nov. 23, 2035	1.00	1,250,194
TELUS CORP	Jan. 17, 2025	3.75	969,502
TELUS CORP	Mar. 10, 2026	3.75	525,025
THOMSON REUTERS CORP	Sep. 30, 2020	4.35	1,242,793
TORONTO DOMINION BANK	Aug. 15, 2017	2.43	1,406,310
TORONTO DOMINION BANK	Apr. 02, 2018	2.17	1,412,961
TORONTO DOMINION BANK	Feb. 18, 2020	1.00	543,215
TORONTO DOMINION BANK	Jun. 24, 2025	1.00	1,672,611
TORONTO DOMINION BANK	Sep. 30, 2025	1.00	343,275
TRANSCANADA PIPELINES	Jul. 19, 2023	3.69	905,515
TRANSCANADA PIPELINES	Jun. 06, 2046	4.35	208,250
TRANSCANADA PIPELINES	Feb. 05, 2026	8.29	207,825
WELLS FARGO + COMPANY	May 19, 2026	2.98	276,070
WELLS FARGO CANADA CORP	Feb. 09, 2017	2.77	2,934,000
WELLS FARGO CANADA CORP	Nov. 15, 2018	2.78	650,369
WELLS FARGO CANADA CORP	Jan. 29, 2021	3.04	784,738
WESTCOAST ENERGY INC	Dec. 08, 2025	3.77	285,643
SHARES:			
ABBVIE INC		--	387,295
ALGONQUIN POWER + UTILITIES		--	148,395
ALIMENTATION COUCHE TARD B		--	691,935
ALLERGAN PLC		--	465,618

SCHEDULE 3

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2016 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
ALLIANCE DATA SYSTEMS CORP		–	374,120
ALPHABET INC CL C		–	450,759
ALTRIA GROUP INC		–	495,977
AMERICAN TOWER CORP		–	423,242
AMERISOURCEBERGEN CORP		–	467,052
APPLE INC		–	1,163,401
ARC RESOURCES LTD		–	202,386
AUTOZONE INC		–	359,396
BANK OF NOVA SCOTIA		–	641,458
BOARDWALK REAL ESTATE INVEST		–	175,247
BROADCOM LTD		–	69,114
BROOKFIELD ASSET MANAGE CL A		–	478,477
BROOKFIELD BUSINESS PT UNIT		–	7,870
CAMERON INTERNATIONAL CORP		–	437,014
CANADIAN NATL RAILWAY CO		–	834,085
CANADIAN NATURAL RESOURCES		–	425,384
CANADIAN PACIFIC RAILWAY LTD		–	284,882
CANADIAN TIRE CORP CLASS A		–	423,631
CARMAX INC		–	322,103
CBRE GROUP INC A		–	417,832
CCL INDUSTRIES INC CL B		–	394,219
CELGENE CORP		–	417,861
CGI GROUP INC CLASS A		–	248,302
CHEVRON CORP		–	324,362
CHURCH + DWIGHT CO INC		–	378,972
CITIGROUP INC		–	380,620
COLLIERS INTERNATIONAL GROUP		–	88,805
COMCAST CORP CLASS A		–	438,230
CONCORDIA HEALTHCARE CORP		–	478,877
CONSTELLATION SOFTWARE INC		–	500,178
CRESCENT POINT ENERGY CORP		–	275,867
CVS HEALTH CORP		–	488,845
DESCARTES SYSTEMS GRP/THE		–	105,585
DETOUR GOLD CORP		–	26,631
DOLLARAMA INC		–	383,112
ELEMENT FINANCIAL CORP RCT		–	248,966
ENBRIDGE INC		–	402,708
FACEBOOK INC A		–	311,442
FIRST QUANTUM MINERALS LTD		–	222,529

SCHEDULE 3

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2016 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
FIRSTSERVICE CORP		–	62,921
FORTIS INC		–	71,723
FRANKLIN RESOURCES INC		–	333,897
GE INTL PRIVATE EQUTY FD II LP		–	6,361,082
GEAM INTERNATIONAL PRIV EQU FD		–	210,879
GOLDCORP INC		–	615,294
GREYSTONE CAN SMALL CAP FUND		–	10,679,432
GREYSTONE CAPITAL		–	6,676,000
GREYSTONE REAL ESTATE FUND INC		–	14,500,000
HALLIBURTON CO		–	346,869
HEXCEL CORP		–	346,014
HOME DEPOT INC		–	523,785
HONEYWELL INTERNATIONAL INC		–	461,067
HUMANA INC		–	154,542
INTACT FINANCIAL CORP		–	149,485
INTERCONTINENTAL EXCHANGE IN		–	352,630
ISHARES S+P/TSX 60 INDEX ETF		–	204,652
JPMORGAN CHASE + CO		–	412,979
KEURIG GREEN MOUNTAIN INC		–	286,090
LAM RESEARCH CORP		–	350,552
LINAMAR CORP		–	145,992
LOBLAW COMPANIES LTD		–	596,376
LOCKHEED MARTIN CORP		–	486,732
LYONDELLBASELL INDU CL A		–	362,605
MAGNA INTERNATIONAL INC		–	266,079
MANULIFE FINANCIAL CORP		–	478,902
MASCO CORP		–	87,570
MASTERCARD INC CLASS A		–	378,867
MEAD JOHNSON NUTRITION CO		–	452,061
MEDTRONIC PLC		–	362,290
MICHAEL KORS HOLDINGS LTD		–	251,420
MICROSOFT CORP		–	203,814
MONSTER BEVERAGE CORP		–	374,400
NEXTERA ENERGY INC		–	413,899
OCEANAGOLD CORP		–	59,837
OPEN TEXT CORP		–	167,455
PEMBINA PIPELINE CORP		–	44,225
PEPSICO INC		–	116,357
PEYTO EXPLORATION + DEV CORP		–	296,633

SCHEDULE 3

TEACHERS' SUPERANNUATION FUND

SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2016 (UNAUDITED)

Investments	Maturity Date	Coupon Interest Rate %	Fair Value $
PFIZER INC		--	411,875
POTASH CORP OF SASKATCHEWAN		--	441,940
POWER FINANCIAL CORP		--	418,914
PRAIRIESKY ROYALTY LTD		--	6,870
PRICELINE GROUP INC/THE		--	429,705
ROYAL BANK OF CANADA		--	717,134
SECURE ENERGY SERVICES INC		--	155,926
SEVEN GENERATIONS ENERGY A		--	135,812
SKYWORKS SOLUTIONS INC		--	433,604
STELLA JONES INC		--	47,360
TELUS CORP		--	795,951
TJX COMPANIES INC		--	475,575
TORONTO DOMINION BANK		--	669,942
UNION PACIFIC CORP		--	365,453
UNITEDHEALTH GROUP INC		--	432,080
VALEANT PHARMACEUTICALS INTE		--	789,976
VERIZON COMMUNICATIONS INC		--	475,451
VERMILION ENERGY INC		--	251,141
VISA INC CLASS A SHARES		--	382,999
WAL MART STORES INC		--	69,794
WELLS FARGO + CO		--	439,154
WEST FRASER TIMBER CO LTD		--	252,546
WESTJET AIRLINES LTD		--	239,524
WHITECAP RESOURCES INC		--	362,591
ZOETIS INC		--	390,397
BROKERAGE FEES		--	27,846
SHORT TERM:			612,267,729
Total			**$ 918,710,696**

SCHEDULE 4
TEACHERS' VOLUNTARY CONTRIBUTIONS FUND
SCHEDULE OF INVESTMENTS AND ACCRUED INTEREST, AS AT JUNE 30, 2016 (UNAUDITED)

Investments	2016 Total Fair Value ($000's)	2016 Accrued Interest ($000's)	2015 Total Fair Value ($000's)	2015 Accrued Interest ($000's)
Pooled Funds	$ 3,122	$ --	$ 3,302	$ --
Total	$ 3,122	$ --	$ 3,302	$ --

SCHEDULE 5
VOLUNTARY CONTRIBUTIONS FUND
SCHEDULE OF INVESTMENTS ACQUIRED, YEAR ENDED JUNE 30, 2016 (UNAUDITED)

Investments	Fair Value
POOLED FUNDS:	
Greystone Canadian Equity Fund	$ 225,703
Greystone US Equities Fund	37,267
Greystone Fixed Income Fund	48,600
Greystone Money Market Fund	168,397
Greystone International	49,289
TOTAL	$ 529,256

SCHEDULE 6
VOLUNTARY CONTRIBUTIONS FUND
SCHEDULE OF INVESTMENTS DISPOSED, YEAR ENDED JUNE 30, 2016
(UNAUDITED)

Investments	Fair Value
POOLED FUNDS:	
Greystone Canadian Equity Fund	$ 91,791
Greystone US Equities Fund	58,825
Greystone Fixed Income Fund	161,857
Greystone Money Market Fund	129,689
Greystone International	45,137
TOTAL	$ 487,299

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